Daily Report
Latin America

FBIS-LAT-87-240 *15 December 1987*

CONTENTS

CARIBBEAN

Cuba

Special Soviet Ambassador Meets With Castro 1
Country Marks National Defense Day 1
Raul Castro Discusses Turquino Plan 1
Public Administration Workers Congress Begins 2

Antigua and Barbuda

Guyanese Linked to Plan To Kill Ministers 2

Barbados

CCC Asks U.S. To Stop Giving Haiti Weapons 3

Haiti

Caribbean Leaders Meet Namphy, Welcome Vote 3
New Provisional Electoral Council Sworn In 4
New Group Calls for Neutral Stance by CEP 4
Journalist Announces Presidential Candidacy 5
Canadian Ambassador Discusses Situation 5

Trinidad and Tobago

Minister Expresses Confidence in Party 6

MEXICO

Parties Rap Proposed Clergy Vote Roll Change *[EL DIA 9 Dec]* 7
New Stock Measures, Changes Announced 7
Pesqueira Says Production Goals Not Attained *[EXCELSIOR 8 Dec]* 8
Defense Secretary on Fight Against Drugs *[EXCELSIOR 9 Dec]* 8

CENTRAL AMERICA

Costa Rica

Arias Gives Peace Prize Acceptance Speech 9
Official Denies Role in Plot Against Panama *[ACAN]* 9

El Salvador

Zamora: 'No Possibility' of Military Solution *[AFP]* 9

Nicaragua

D. Ortega Denies Brother's Remarks on Army 10
Addresses Trade Unions 10
Opposition Groups Reject Ortega Charges *[ACAN]* 19
Obando y Bravo on Suspension of Talks With RN 20
Dominican Official Comments 21

SOUTH AMERICA

Argentina

Communique Issued on Fire at Peronist Center 22
CNEA Denies Report on Water Contamination 22
Briefs 22
Air Force Appointments 22

Bolivia

Vice President Comments on Montevideo Meeting 22
Palestinian Red Crescent Head Pays Visit 23
Briefs 23
Relations Established With Guinea 23

Brazil

Minister Sees Good Will in Talks With U.S. 23
Bresser Pereira Cited on New Fiscal Package 23
Involvement With Regional Guerrillas Viewed *[O ESTADO DE SAO PAULO 10 Dec]* 23
Further on Weapons Purchases *[O ESTADO DE SAO PAULO 10 Dec]* 24
Chileans in UN Office Begin Hunger Strike 25
Briefs 25
AIDS Statistics Released 25

Chile

UN's Volio Criticizes Military Prosecutor 25
Justice Minister Responds 25
Military Judge Cited 26
Republican Party President Jaramillo Resigns 26
Socialist Leader Heads Party for Democracy 26
Jarpa Named National Renewal Party President 27
Agreement With Argentine Workers Signed *[EFE]* 27
Briefs 27
Copper Sales Income Increases 27

Peru

Shining Path Reportedly Kills 24 in La Mar 27
4 Killed in Ayacucho; Shining Path Blamed 27

Uruguay

Signature Drive on 'Full Stop' Law Completed *[EFE]* 28
Economy Minister To Negotiate Loan in Japan 28

Suriname

Assembly Meets on Ad...sion of Members 28
Front for Democracy, Development Leaders on Unity 28

Cuba

Special Soviet Ambassador Meets With Castro

FL141430 Havana Tele-Rebelde Network in Spanish 1200 GMT 14 Dec 87

Commander in Chief Fidel Castro Ruz, first secretary of the PCC and president of the Councils of State and Ministers, has received Aleksey Obukhov, ambassador for special missions from the USSR and deputy chief of the Soviet delegation to the Soviet-U.S. talks on nuclear space weapons. Ambassador Obukhov gave a broad and detailed explanation on the Soviet-U.S. talks during the summit held recently in Washington and reported the assessment the Soviet side has made of them. Commander in Chief Fidel Castro Ruz expressed his appreciation for the information received and sent Comrade Mikhail Gorbachev congratulations for this achievement which opens a road that benefits all mankind. After this meeting, Obukhov returned to the Soviet Union.

Country Marks National Defense Day

FL141525 Havana Tele-Rebelde Network in Spanish 1800 GMT 6 Dec 87

[Text] National Defense Day has coincided with the last day of the Victoria-87 military exercise that began 3 days ago on the Isle of Youth. In order to determine the combative disposition of the FAR, MININT [Ministry of Interior], and the Territorial Troops Militia in the area, various surprise maneuvers were held throughout the weekend.

Important activities, which have proven the people's combative disposition and preparedness, began early this morning. Some of today's events included a simulated attack, with chemical weapons, on schools and economic targets; an air and sea landing maneuver; building of shelters; and helping in the construction of engineering works.

National Defense Day has marked the end of the Victoria-87 military exercise. This military exercise has allowed the Isle of Youth residents to strengthen their territorial defense system. The people have proven they are ready to annihilate the enemy and to declare themselves ready for defense in the second stage.

Raul Castro Discusses Turquino Plan

FL141535 Havana Television Service in Spanish 0100 GMT 11 Dec 87

[Text] On his 4th day in Santiago de Cuba, Army General Raul Castro, second secretary of the PCC Central Committee and FAR minister, visited the modern Contramaestre Hospital accompanied by Vilma Espin and Esteban Lazo, members of the PCC Politburo. Later, Raul held an interesting meeting with soldiers of the Youth Labor Army [EJT] in the mountains of the historic Tercer Frente Municipality.

[Begin Castro recording] Dear comrades of this Company No 2 from the place known as San Jorge, is this its name? We are briefly touring some camps like this one, and I want to tell you this is the first one I have visited since the Turquino plan began to be implemented in all the mountainous areas of the country. This is a comprehensive and rational plan to develop the mountain regions. It is primarily concerned with coffee, cocoa, and fruit production. To enact this plan we had to ask the cooperation of the EJT, especially of the sons of the mountains, of the people from the mountains. We fought several years and in many places in the Sierra Maestra and Segundo Frente; other comrades fought on the mountains of Escambray. We know well what sort of people the youth, both men and women, of the mountains are. They are tough people, people accustomed to work, willing to face problems, and of good character.

The problem was people were leaving the mountains. Many things contributed to that. Surely, very few return to the mountains after they are drafted by the military service. If after completing elementary school we send you to school on the plains—for instance Jaguey in southern Matanzas, or on the Isle of Youth—and later you continue going to school, it is very unlikely you will return to the mountains.

Similar backwardness is found in the Sierra Maestra, which is the mountain range where economic and social conditions are less developed. The configuration, the topography of the mountains made it very difficult to build roads, etc.

The objective of the Turquino plan is social and economic development. It is also very important from the military standpoint because the enemy can occupy the country partially, but we are certain it will never occupy our mountains. We know from experience how easy it is to defend them, even with a few troops, if they are well organized and well trained. That is why the Turquino plan is a set of comprehensive measures which must be implemented in a continuous and systematic way. It is not a matter of building a road today without any planning. Rains or a hurricane could come and the next year the road would be blocked, to give only one example.

To keep the population on the mountains we need three essential conditions. One is electrification. Civilization progresses; everyone wants to watch television and everyone wants to have domestic electric appliances. Mothers want to have washing machines—which is fair so they do not have to wash clothes in the river—refrigerators to store food, etc. This is why electrification is vital and progress is being made on this.

Most of you must be from Tercer Frente municipality. Even though you are young men of 18 and 19 years of age, you must have noticed some progress has been made in the past, but it is being made especially now. We have

electrification through the national industrial network, through mini- or micro-power plants. The use of small plants is temporary because they only provide for a few hours of electric power.

Within these next 3 years—as directed by the commander in chief—up to 1990, 1 million people will benefit from electric power, especially in the most backward provinces, that is, [words indistinct] specifically in the mountainous areas. Naturally, this is for houses that are close together. We cannot take electric power to that little house over there because the cost is very high.

I am referring to the industrial electric power, although I have seen lines placed at a greater distance than that one. So, electrification is needed; also, roads that are passable all year long and that are not blocked by a storm.

Housing is needed. Houses must be built in groups. That is, some of them must be built by the interested parties, the peasants, cooperative members; some will be built by the government; and others will be built with the help of the government and the participation of the future residents. Those are the three fundamental matters.

Services are obviously needed. Schools are needed. There are schools everywhere, some better than others. Health services are needed. The mountains of Guantanamo and Santiago de Cuba are covered by family doctors. You can testify to that because you have seen the two-story houses all over this region. The mountainous area of Santiago de Cuba alone, has [unidentified speaker says: "283"] 283 family doctors. It has them all.

To have roads that are passable all year long we need to have paved roads like the one that will be built here. It is going to go from here to San Lorenzo. I believe it will be completed before you complete your service. This is 1987. A portion should go to San Lorenzo and this one will continue up to the top of Sierra Maestra. It crosses a place in the southern coast called Rio Seco. We do this also because we need to reinforce the mountains in case of a war. There is something else we also know. A soldier from the mountains, a soldier who was born in the mountains, is 10 times as good as a soldier from the plains in mountain fighting. [applause] [end recording]

Public Administration Workers Congress Begins

FL142036 Havana Tele-Rebelde Network in Spanish 1800 GMT 14 Dec 87

[Excerpt] Carlos Rafael Rodriguez, vice president of the Council of Ministers, and Jose Ramon Machado Ventura, member of the PCC Politburo and Central Committee Secretariat, presided over the inauguration of the fifth congress of the National Trade Union of Public Administration Workers. The problems of socialist emulation, work organization and salaries, the legislative amendments to the promotion system, and a new outlook for a better law are some of the topics to be discussed during this congress at Havana's Lazaro Pena Theater; more than 300 delegates are attending. The importance of the work of the trade union in ensuring labor discipline was the topic discussed during this morning's session. [passage omitted]

Antigua and Barbuda

Guyanese Linked to Plan To Kill Ministers

FL141841 Bridgetown CANA in English 1415 GMT 11 Dec 87

[Text] St John's, Antigua, Dec 11, CANA—Two senior Antiguan Government ministers alleged in parliament on Thursday that there was an assassination plot against them and a few other ministerial colleagues. Contributing to debate on a supplementary appropriations bill, Minister Responsible for Trade Hugh Marshall and Education Minister Reuben Harris linked a Guyanese resident here, who he named, to the plot.

Marshall also implicated a Miami-based Cuban/American whom he said the Guyanese was inviting to come here to "rough up" members of the cabinet considered to be dissidents. A small group of cabinet ministers, including Marshall and Harris, has been pressing for the removal from office of Public Works Minister Vere Bird Jnr, eldest son of Prime Minister Vere Bird Snr, after he was cited for misconduct by an official enquiry into a controversial airport runway rehabilitation project he supervised last year.

The other targets of the plot, Marshall said, were Public Utilities Minister Robin Yearwood, Agriculture Minister Hilroy Humphreys, and Robin Bascus, general secretary of the government-aligned Antigua Trades and Labour Union (AT&LU).

If the government does not deport the Guyanese man in the centre of this plot "I am publicly saying, I Hugh Charlesworth Marshall will stalk him to his grave," Marshall told parliament. "My life is being threatened by this man who has no responsibility to anybody in this country," he added.

The Antiguan cabinet has been split over the airport affairs, with Prime Minister Vere Bird firmly refusing to sack his eldest son from the cabinet as requested. Earlier, the two ministers accused the leadership of the ruling Antigua Labour Party, (ALP) of supporting political aspirants who are challenging them in their respective constituencies.

Marshall faces a challenge from Lemuel Sealey—a medical doctor—in his St Mary's South constituency, while Harris is being challenged by the fourth son of the prime minister, Ivor Bird, in his St Philip's South constituency. They said because of their stand on the airport issue, Prime Minister Bird and his eldest son, along with other cabinet colleagues, were condoning efforts to remove them from the government.

"We want health services, we apply for health services, we can't get them, but if an opposition member who is opposing the minister can get those facilities to give him an edge over the incumbent and it is all right, it is condoned from the top," Harris said. Harris was referring to a clean up campaign which was undertaken in his constituency by his rival, Ivor Bird, with help from the ministries of health and public works.

He complained that ministers of government have been denied the same facilities in order to serve their constituents. It was the first public statement by any member of the dissident group in the cabinet since so-called peace talks earlier this year with the prime minister to unify the ruling party.

Harris, in his comments, also pleaded for sanity to return to the party. "There is a dedicated cause now being fought—its being fought by some men who have tender consciences in respect of what public life and public service means, and we have dedicated ourselves within the context of our own human frailties and shortcomings, to continue to fight that great fight, because we want to finish the course and we want to keep the faith so that every Antiguan and Barbudan will know that there are pioneers of their cause—the cause of democracy—the cause of free speech, pioneers of a cause of anti-corruption..." Harris said.

"We pray as a government and as a group, and as a people and as leaders, that God will give us the strength and the faith and that you the people will give us the encouragement and the support to stand firm to that which is good so that your own glorification can be assured."

Barbados

CCC Asks U.S. To Stop Giving Haiti Weapons

FL141945 Bridgetown CANA in English 1927 GMT 13 Dec 87

[Text] Bridgetown, Barbados, Dec 13, CANA—The Barbados-based Caribbean Conference of Churches (CCC) has urged the United States to stop supplying arms to Haiti following cancellation of last month's elections amidst a wave of violence. "We call upon the U.S. Administration and other arms suppliers to Haiti to halt that trade not only by press releases but in fact..." the CCC said in Pastoral Letter to CCC member churches.

"...Since military aid for 1987 has already been fully disbursed, we look to see the ban extended into the 1988 fiscal year," the CCC said.

The CCC said it would take the anti-weapons lobby and an appeal for other help to Haiti to Washington, where decisions relating to the Caribbean are "more and more being made". It also criticised the Haiti outlook of regional countries, saying that by inaction Caribbean Community (Caricom) governments have risked sending the wrong signal—that they are in support of the Haitian status quo.

However, it said, recent reports of an initiative by some regional leaders would be welcomed by concerned Caribbean people.

The CCC noted that the dissolution of the Provisional Electoral Council by the interim National Governing Council (CGN) was being challenged, and that the CGN had vowed to continue the process to install a new administration by February 7, 1988. The regional umbrella church organisation said this was unlikely to evoke credibility or meet with "full and enthusiastic popular support."

The CCC said the non-participation of the churches in the government-run exercise was not surprising, but stressed that steps should be taken to ensure that the absence of certain sectors would not result in the installation of a regime by default which did not have the peoples interests at heart.

Haiti

Caribbean Leaders Meet Namphy, Welcome Vote

FL141715 Bridgetown CANA in English 1331 GMT 11 Dec 87

[Text] Kingston, Jamaica, Dec 11, CANA—Caribbean prime ministers who met Haiti's military leader, Henri Namphy, Thursday welcomed his announcement of new elections for January 17 and say the general has promised adequate security for the poll. There was a commitment by General Namphy to ensure that appropriate security arrangements are in place for the elections, said Jamaican Prime Minister Edward Seaga in an airport news conference Thursday night after he and four other regional leaders had been to Port-au-Prince for a four-and-half hour meeting with Namphy.

Calling itself Concerned Caribbean Leaders (CCL), the Seaga team includes St Lucia's John Compton, James Mitchell of St Vincent, Dom Martina of the Netherlands Antilles and Henny Eman of Aruba. They have been seeking to establish dialogue with Haiti, where planned general elections November 29 were derailed when gunmen and machete-wielding thugs killed dozens of would-be voters at polling stations.

Namphy announced his new election date on the eve of the visit of the Caribbean group, but Seaga rejected that this amounted to a diplomatic slap for his efforts. On the contrary, the Jamaican prime minister said, the announcement was a very positive development. It is entirely consistent with what we wanted to see happen, Seaga told reporters. Seaga also said that if Namphy accepts proposals put forward by the regional group, it

would allow for the appointment of an electoral council for overseeing the poll, which would be democratic and not be part [words indistinct] election.

The Jamaican prime minister declined to say what proposals had been put to Namphy while they were still under discussion, but expected a reply within 24 hours. A communique signed by Seaga and Namphy, and which largely stated the grounds covered in the discussions, did not provide any insights into the proposals. With regard to the electoral process, the CCL made suggestions which, in their view, would contribute to further the integrity of the process, the communique said. The CNG welcomed the suggestions and agreed to consider them within the context of the Haitian Constitution.

The Haitian Army is widely held to have given at least tacit support to the bandits who forced cancellation of the November 29 elections. Seaga seemingly rejected the culpability of the military as well as the action in early November of the former electoral council in rejecting presidential candidates who were aligned with ousted dictator, Jean Claude Duvalier or his father, Francois "Papa Doc" Duvalier. Seaga said that from the information his group had it was not true to say that the army terrorised people. One of two units might have been involved, he said, but that does not make the army as a whole culpable.

Seaga, who said Namphy did not fire the former electoral council, but had asked the relevant interest groups to name new representatives to the nine-member body, said he had no indication what interpretation the new group would bring to the issue of Duvalierist standing in the election. But he said: It is a strange interpretation of democracy that disallows people from participating.

Seaga said that the dialogue opened by his group had resulted in the establishment of a new relationship with Haiti which will allow the Caribbean to play an important role in the country's future. They would be able, after the new leaders were installed, to assist by focussing international attention on Haiti's problems and help in the transition to democracy. The importance of a stable Haiti, the importance of a Haiti that is moving towards democracy and growing economic strength cannot be over estimated in the context of the Caribbean region, Seaga said.

According to the communique among the points covered during the discussions was the reaffirmation of Haiti's sovereignty and independence and the principle of non-intervention and non-interference in the internal affairs of Haiti. Some presidential candidates have suggested a multinational force, possibly from the Organisation of American States (OAS).

While Seaga and his team were heading for Haiti leading presidential candidates were also forging a coalition for the boycott of Namphy's new poll. The Jamaican prime minister said the Caribbean team had not opened any dialogue with the opposition groups and that there were no immediate plans to do so. The Caribbean leaders have apparently pinned much hope for the attitude of the candidates on the composition of the electoral council. An undemocratic electoral council could have the effect of giving candidates an opportunity to discredit the electoral process, he said.

New Provisional Electoral Council Sworn In

FL142323 Port-au-Prince Radio Nationale in Creole 1400 GMT 14 Dec 87

[Excerpts] The new members of the Provisional Electoral Council [CEP] were sworn in before the Court of Cassation last Saturday, at around noon, in accordance with the new electoral calendar published by the National Government Council [CNG]. [passage omitted]

They swore to be totally impartial, taking no side; and to fulfill their mission with dignity, fully respecting the Constitution and all dispositions of the electoral decree.

In a short speech, Mr Jeannot, the president of the Court of Cassation and an attorney, reminded the new CEP members of the difficulties they would encounter in carrying out their difficult task.

On behalf of the CEP, attorney Jean Gilbert affirmed his determination to work courageously at the difficult and delicate task before him. Mr Jean Gilbert declared that the country is torn asunder by passions and needs peace to resume its path toward progress. Later in his speech he said certain sectors looked most unkindly on the formation of this new CEP. But, he added, we are going to work, not for the Haitian Government, but for the Haitian people in general.

In any case, according to observers, a large majority of the members of the new CEP were officially appointed or chosen by the CNG, in accordance with Article 289-2 of the new Haitian Constitution.

New Group Calls for Neutral Stance by CEP

FL142144 Port-au-Prince Radio Nationale in French 1100 GMT 12 Dec 87

[Text] We have received communique No 4 from the League for the Defense of National Dignity and Fundamental Rights, (Lifdonfon).

The (Lifdonfon) asks the new Provisional Electoral Council [CEP], whose mission, according to the Constitution, is to organize and supervise general elections in Haiti, to maintain the strictest neutrality in order to avoid any foreign meddling and intervention and to contribute to a solid new start for the nation.

Such strict neutrality is the only behavior that will permit the CEP to eliminate certain aberrant prejudices and ridiculous epithets to effectively arrive at free, honest, and open elections in which the entire population can participate.

In order to attain this patriotic goal, (Lifdonfon) recommends that the new CEP apply the following dispositions:

1. That the (?articles) of the Electoral Law be modified and attuned to the Constitution of 1987.

2. That this new electoral law be scrupulously applied and respected, without taking into consideration clans or individuals.

3. That the letter of Article 291 be applied strictly, without any form of exaggeration, except for the term "an excess of zeal," which is very ambiguous and not in conformity with constitutional law and which must be wisely and honestly clarified in the new electoral law in order to avoid any abuses in interpretation.

4. That candidacies filed should be reconsidered, this time taking into account all constitutional clauses and the Electoral Law, and requiring from all candidates—without consideration of clans or individuals—a certificate of discharge, if need be.

5. That the electoral card and the polling booth be eliminated in order to make voting easier for all our workers and peasants and to allow our candidates themselves to verify the distribution of their ballots.

6. That the CEP maintain complete independence, while simultaneously seeking complete cooperation with the Ministry of the Interior and National Defense and with all the chiefs of the country's communal sections.

7. That collaboration (?in the process) by schools, institutions, the boy scouts, and preachers and priests who are really prestigious and independent (?be sought) on a nationwide scale, in order to hold elections with national means and without the help of any foreign power.

(?8.) That, with the authorization of the Foreign Ministry, the Central Office for National Promotion, (?and the) civil service, any and all foreign observers who wish to observe the unfolding of these elections be invited to do so.

Journalist Announces Presidential Candidacy

FL142207 Port-au-Prince Radio Nationale in French 1100 GMT 12 Dec 87

[Text] We have received a news release in which (Elie Dupuy), editor of the periodical LE REVEILLE D'HAITI, announces his candidacy to the presidency of Haiti.

(Elie Dupuy) is the hope for a new Haiti. Without him, the nation will be annihilated forever and will know only ruin and desolation, the news release says. Further on, it says, and we quote, God has chosen (Elie Dupuy) to be Haiti's next chief of state.

In his note, (Elie Dupuy) asks the representatives of the CNG [National Government Council], the CEP [Provsional Electoral Council], and all political parties to join him in providing a definitive solution to the country's problems.

Canadian Ambassador Discusses Situation

FL142304 Port-au-Prince Radio Nationale in Creole 1400 GMT 14 Dec 87

["Portion" of interview with Canadian Ambassador to Haiti Claude Laverdure by unidentified reporters at the Mais Gate Airport in Port-au-Prince on 13 December—recorded; in French]

[Text] [Laverdure] As you just said, it is true I was recalled to Canada by the prime minister exactly one week ago today. I went to Ottawa on Tuesday evening. I reported to the prime minister, Foreign Minister Landry, and the entire Council of Ministers on the events which occurred here at the end of November and on the situation still prevailing in the country. It is very evident the Canadian Government and people are keenly interested in the Haitian situation, especially the future of democracy in your country.

The prime minister asked me to return today. In fact, he put his official plane at my disposal so I would not lose any time because I am carrying a message from him to President Namphy. Of course, this message must remain confidential, as is always the case between a chief of state and a chief of government, but I think I am authorized to at least say that this message confirms the degree to which the Canadians and the Canadian Government are troubled by the events in your country. It also confirms the historical ties existing between our two peoples and countries.

This explains our interest. We do not feel we are meddling. I think I am also authorized to point out, to recall, that there are, after all, more than 2,000 Canadians living in this country who are trying to work with you toward its development.

In conclusion, we want the president to understand how much the Canadian Government would like the electoral process to be resumed quickly with the support of the people and to have it be extremely credible. Those are, I think, the main themes of the message from my prime minister to your president.

[First reporter] [Words indistinct] Canadian journalist as to the security of the 2,000 Canadian nationals in Haiti, can it be said the Canadian Government is still as concerned?

[Laverdure] I think it is a major concern for the prime minister. I reassured him. I told him we did not feel singled out as targets, but that the current situation in Haiti had to be kept in mind. The prime minister asked me to tell all his fellow citizens living in Haiti he is concerned about their well-being.

[Second reporter] Mr Ambassador, can you tell us if the Canadian Government will support the future elections announced by the National Government Council of Haiti?

[Laverdure] I think it is much too early to comment on this. This is a subject I would like to discuss with the president, as soon as I see him. We must wait and see how things look for these elections, and in particular the reactions of the principal participants.

[Third reporter] Are you going to set certain conditions for the government to meet, and will this influence your future relations with the Haitian Government?

[Laverdure] I think you know Canada too well to think we have conditions to set. We are observing. We are trying to evaluate. We did not come here... [changes thought] you know the Canadian presence here does not seek to impose any particular point of view at all. We will examine things and we will decide in due time.

Trinidad and Tobago

Minister Expresses Confidence in Party

FL141832 Bridgetown CANA in English 1447 GMT 8 Dec 87

[Text] Port-of-Spain, Trinidad, Dec 8, CANA—Kelvin Ramnath, one of the ruling National Alliance for Reconstruction (NAR) Party's vociferous ministers, has offered the party a vote of confidence, but has expressed some uncertainty over the precise nature of his own responsibilities in the cabinet. Ramnath was shifted from energy to public utilities in an end-of-November cabinet reshuffle made after Prime Minister, A.N.R. Robinson, called for the resignation of all his ministers.

Analysts generally agree that the effect of the shift was to demote Ramnath, who is a petroleum engineer by profession. Ramnath said that the problems ministers in the government were experiencing, were really rooted in the Westminster system of government which gave ministers a feeling of powerlessness.

But he is quoted by the EXPRESS newspaper as voicing confidence in the NAR, despite its problems. I think the NAR has a great future. I think there are no personal and irreconciliable differences, he added. But of his own responsibilities following the reshuffle, Ramnath said he was not actually in charge of all the public utilities in the country.

I think it would be more appropriately put if I were described as the Minister of Water, Electricity and Telephones. Out of the 14 public utilities that exist, these three are assigned to me, Ramnath said.

He added he was yet to establish who was responsible for the budgets of the three utilities in his charge, and queried whether his role will not simply be to get up in parliament and say why the water was brown in San Fernando two days ago, or why there was a fire at Telco, or why there was a power outage...

Parties Rap Proposed Clergy Vote Roll Change

PA140125 Mexico City EL DIA in Spanish 9 Dec 87 p 2

[By Gabriela Tovar Gonzalez]

[Text] The Popular Socialist Party [PPS], the Authentic Party of the Mexican Revolution [PARM], and the Cardenist Front [Frente Cardenista] yesterday were unanimous in pointing out the initiative sent by the executive branch to the Chamber of Deputies; this eliminates part of Article 343 of the Electoral Law and means a "step backward for constitutional achievements and yielding to pressures from the right wing, which, as is the case in the economic sector, is imposing its conditions on the government."

The executive branch's proposal would elminate from Article 343 the section imposing prison sentences of 4-7 years on clergymen who participate in national political life. The executive branch's proposed reform would only maintain the fine of up to 1,000 times the minimum wage for those who violate this principle.

Referring to this, PPS deputy Martin Tavira Uriostegui said his party will fight the initiative "to the death" with legal, historical, and political arguments, because there are very important reasons why all Mexican laws have prohibited clergymen from participating in politics.

He stated the church has always been against the revolutionary movement and has been an obstacle to the people's progress by manipulating the people's consciences through religion.

He said the reform proposed by the executive branch is inconsistent with Article 130 of the Constitution, "which would be turned into a moot point. The reform would mean a repeal of the laws achieved by the revolution."

PARM Secretary General Carlos Cantu Rosas stressed that the Constitution is very precise on the participation of the clergy in politics. He said the prohibition has been established and the promotion of a reform would revive the old clash between liberals and conservatives.

He added clergymen should limit themselves to their spiritual functions and should promote only those social interests in the area that concerns them as clergymen. He added "the political parties should oppose the intervention of the church in political matters until the Constitution is amended."

Reynaldo Herrera Chavez, political education secretary of the National Executive Committee of the Cardenist Front, formerly the PST [Workers Socialist Party], stressed on this topic that "this is a clear sign of how the government is yielding to the pressures imposed by the right wing, which knows it can win, just as it has with regard to the foreign debt, which is being handled in accordance with the right wing's interests."

New Stock Measures, Changes Announced

PA151305 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 14 Dec 87

[Communique issued by the Finance and Public Credit Secretariat on 14 December]

[Text] With the basic objective of assuring top protection for investors' interests and correcting the structure of the Mexican Stock Market, the National Stock Commission governing board decided to adopt a number of measures as a result of its research into the behavior of the stock market and of several reports presented to that organization.

The series of actions which will take effect today are also intended to promote the consolidation and development of the stock market, which is an essential instrument for enterprises' capitalization. In addition, the measures were taken to give solidity to stock market quotations, eliminate intermediaries, offer confidence for investment, and strengthen the market's guiding body, the National Stock Commission.

The corrective measures, taken basically to protect investors' interests and to guarantee fully that operations will continue developing regularly, are the following:

1. To temporarily suspend all operations to be carried out over time, including purchase of shares in installments, so as to reorganize those operations and their plan, and to adapt them to the current market conditions.

2. To strengthen the structure and increase the duties of the National Stock Commission.

3. To immediately suspend and punish 105 promoters, who—as has been proven—carried out operations with the public in stock markets without due authorization.

4. To increase audits of floor supervisors to verify whether or not they have participated in illegal actions.

5. To apply severe fines to stock markets, investment groups, and their directors in the 87 cases in which it has been proven the law was violated.

6. In support for the administration of four stock markets, which showed their structure could weaken if certain measures are not taken, and to guarantee that investors' funds are not affected but duly protected, the governing board appointed supervisors of the National Stock Commission to seize those stock markets' administrations. The aforementioned stock markets are: ABACO, AFIN, ARCA, and TINSA [expansions unknown].

The government commission pointed out the importance of the stock market and the national banking sector in the country's economic development. It stressed that

the firmness of this market strengthens its operations and the free participation of its members. Among the members of the commission present at this morning's session were: Gustavo Petricioli, Mexican finance and public credit secretary; Hector Hernandez, commerce and industrial development secretary; Bank of Mexico Director Miguel Mansera Guayo; National Stock Commission President Lorenzo Peon Escalante; Nacional Finance Company Director Ernesto Marco; public accountant Alfredo Luengas Garibai; Alfredo Santos; Julio Sanchez Vargas; and the president of the banking and insurance national commission.

Pesqueira Says Production Goals Not Attained
PA121549 Mexico City EXCELSIOR in Spanish
8 Dec 87 pp 18-a, 46-a

[Article by Carlos Canton Zetina]

[Excerpts] In announcing that his secretariat's 1988 budget could reach 2.2 trillion pesos, Eduardo Pesqueira Olea, secretary of agriculture and water resources, said yesterday: Production goals of certain basic crops were not met because the drought affected 150,000 hectares in northeast, central, and southern Mexico; because of this, imports of corn, oil-bearing seeds, and feed must be "slightly" increased. [passage omitted]

He regretted the drop in the prices of agricultural and livestock products on international markets; that will bring about a "slight decrease" in the influx of foreign currency in the form of exports compared to 1986, when there was a surplus of more than $1 billion.

Upon being questioned after he inaugurated a national forum called The Agronomic Labor Sector and the Modernization of Mexico's Countryside, Pesqueira said that, nevertheless, for the second consecutive year our country will register a positive trade balance in agriculture and livestock because exports of rural products will increase.

Commenting on the effects of the drought, he said basic products such as corn, beans, and, to a lesser extent, rice and oil-bearing seeds were affected. [passage omitted]

In fact, the official said, despite a lack of rain in federal areas with high agricultural yields, those areas will register an increase of between 1.5 and 2 percent by the end of the year. [passage omitted]

He reported that from the United States "we are committed to buying corn, sorghum, oil-bearing seeds, and powdered milk." Mexico will mainly export tropical products, cattle, fruits, and vegetable to the United States.

As for trade in the agricultural and livestock area between Mexico and other countries, he said "this takes place with the international community through GATT mechanisms."

Regarding the 1988 budget, Pesqueira said it depends on the decision of the Congress of the union. He said that an increase between 65 and 70 percent over this year's budget has been requested. [passage omitted]

The secretary said that in keeping with instructions from the president of the republic, "the rural areas will continue to be high-priority areas, despite economic problems in the country." He said water projects will continue throughout Mexico; no small-or medium-size irrigation project will be left hanging, except for those which, because of their size, must be left for the next administration. He said some 15 important projects involving medium or large irrigation systems will be finalized in the next 11 months. [passage omitted]

Defense Secretary on Fight Against Drugs
PA131803 Mexico City EXCELSIOR in Spanish
9 Dec 87 p 4a

[Excerpts] National Defense Secretariat members (5,289 troops, 365 officers, and 11 commanders) will be sent to the country's main highways to "provide safety and confidence" to those traveling in December.

Defense Secretary General Juan Arevalo Gardoqui reported this to President Miguel de la Madrid during a private meeting in which he also disclosed that in the past 40 days the authorities arrested 830 drug traffickers and seized 66 tons of marijuana, 280 kg of cocaine, 18 kg of opium paste, 40 kg of poppy seeds, and 610 kg of marijuana seeds.

These actions of the permanent campaign against drug trafficking also included the destruction of 12,815 poppy plantations in 1,340 hectares and 13,058 marijuana plantations in 1,582 hectares. In addition, 1,389 firearms of various calibers were seized.

Arevalo Gardoqui also reported that the "Marte II" task troops are being relieved by the "Marte III" troops, which will operate in Sinaloa, Durango, and Chihuahua States and will be supported by Mexican Air Force helicopters and planes. [passage omitted]

In conclusion, Arevalo Gardoqui told the president that Brigade Generals Heliodoro Ramirez Perez and Mauro Placido Alonso became heads of the Social Security and Rural Defense General Directorates, respectively, effective this month.

Costa Rica

Arias Gives Peace Prize Acceptance Speech

PA110356 San Jose Radio Impacto in Spanish 1830 GMT 10 Dec 87

[Text] At the beginning of his speech in which he accepted the Nobel Peace Prize awarded to him in recognition of his peace efforts in Central America, Costa Rican President Oscar Arias said in Oslo: When the Oslo Nobel Committee decided to honor me with the Nobel Peace Prize it actually decided to honor a peaceful country.

Arias added: No one knows better than you that this prize is a symbol to the world of our hopes to promote the Central American peace initiative. Your decision increases our prospects for success, be.ause the search for peace is a perennial cause that needs support from friends.

While stating that peace is infinite and that it is not a matter of prizes and trophies, Arias pointed to the need to strengthen peaceful institutions, such as the United Nations, in order to turn them into instruments to be used by both the weak and the strong.

Arias stressed: I do not pay attention to those who doubt that, despite existing differerent ideologies, true and lasting peace can be attained, because Central America longs for peace and democracy, which are two inseparable goals.

We cannot ask sovereign states to adapt themselves to governments they did not elect, but we insist on their respecting human rights beyond their borders, because we believe that peace and justice can only prosper in conjunction with each other and that a nation that maltreats its own people tends to maltreat its neighbors as well, Arias stressed.

Oscar Arias, who is accepting the Nobel Peace Prize on the day of his son Oscar Felipe's birthday, told all Costa Rican children that he will never yield to violence or support military solutions to the region's problems. Arias urged the international community, especially the most powerful countries, to let Central America determine its own future and to support the efforts for harmony instead of supporting war forces.

President Arias asked the international community to send our people [words indistinct] instead of swords, and tools instead of spears. When accepting the Nobel Peace Prize for 1987, Arias said: If you cannot forget about the weapons of war, in God's name please leave us in peace.

Official Denies Role in Plot Against Panama

PA150435 Panama City ACAN in Spanish 2330 GMT 14 Dec 87

[Text] San Jose, 14 Dec (ACAN-EFE)—Acting Security Minister Rogelio Castro has denied the existence in Costa Rica of groups seeking to destabilize the Panamanian Government with the help of the United States, as David Pere, Panamanian ambassador to San Jose, charged today.

The Panamanian diplomat stated at a news conference that those groups, who have obtained weapons in the northern part of Costa Rica on the Nicaraguan border, move about through Costa Rican territory with the cognizance of some Costa Rican authorities, who do nothing to stop them.

This movement is directed by Cuban exiles in the United States, headed by Rene Corbo of the anti-Castro "Brigade 2506" based in Miami, and supported by the U.S. diplomatic mission in San Jose, according to Pere.

The acting security minister told ACAN-EFE today that "I know nothing" of the movement denounced by the Panamanian diplomat, but that, if he did, "we would act immediately to obey orders by President Oscar Arias."

"We have had orders, since 8 May 1986 (when Arias assumed power), to not permit any violation of Costa Rica's neutrality in military conflicts with other states," he noted.

Castro Pinto urged the ambassador to cite names to the Foreign Relations or Public Security Ministries, as the diplomat said he would do at the appropriate time, and reveal the locations of those activities and the authorities who know about these movements, and "we will act."

The acting minister said that Costa Rica lacks sufficient policemen to offer strict control of the border regions, but "to the extent of our ability we guarantee that actions against another nation will not happen."

El Salvador

Zamora: 'No Possibility' of Military Solution

PA150053 Paris AFP in Spanish 1820 GMT 14 Dec 87

[Text] Paris, 14 Dec (AFP)—FDR Vice President Ruben Zamora today told AFP that the Salvadoran guerrillas cannot win the civil war in the short- or medium-term. The opposition leader just spent 12 days in El Salvador, where his life was in danger. He felt the situation in his country is closely linked to events in the rest of Central America, particularly in Nicaragua.

"It would not be very realistic to imagine a political solution in Nicaragua if El Salvador does not take steps in that same direction, and vice versa," he noted. Zamora thus acknowledged the interrelationship of developments in the two countries.

Zamora categorically stated: "There is no possibility of a military solution in El Salvador because of the level of U.S. interference." For that reason "it is indispensable to have political negotiations between the Salvadoran Government and the armed and political opposition."

"In fact, should the Salvadoran Army come close to disintegrating, it is almost certain the current U.S. Administration would intervene directly, because that would be a disaster Reagan must prevent at any cost," the FDR leader added. The FDR is an ally of the guerrillas led by the FMLN.

"The Esquipulas II agreement is a revitalizing, positive step in Central America because it includes the aspiration for autonomy" and therefore would provide "a favorable framework to promote the process of a political solution" in El Salvador, Zamora optimistically remarked.

"President Jose Napoleon Duarte is formally but not truly complying with the agreement," the opposition leader charged. He was particularly referring to "the cease-fire, which does not last because it is not agreed on but unilaterally decreed by the government."

"My experience during the 12 days I stayed in El Salvador indicates there is much hope for, interest in, and amenability to a possible political solution, but there is also a great deal of fear of participating in politics," Zamora noted in reference to the recent murders of opposition figures.

However, the hopes created by the Esquipulas agreement have not been completely extinguished. "Our strategy consists of building a broad consensus for a negotiated solution with the participation of all political and social forces," Zamora noted. "The Democratic Merger, which was legally created not long ago, is part of this strategy. It was created not only to participate in elections but to build that consensus," the FDR leader explained.

Zamora stressed the ambiguities in the current process started by President Jose Napoleon Duarte to comply with the Esquipulas II agreement. He denounced the military control and repression that hamper the democratic elections for deputies and mayors in March. The opposition leader did not say if the Democratic Merger will field candidates in those elections. However, he acknowledged "an electoral process is a necessary and indispensable part of a political solution." Regarding the possibilities of promoting a political solution and beginning a campaign for the March elections, the Democratic Merger will decide in the next few days if it will field candidates, Zamora remarked.

In conclusion, the FDR leader acknowledged there are "temporary" differences between the FDR and the FMLN, but he said these were limited to "our views on certain tactical problems."

"These are two different organizations. The FDR is not the political wing of the FMLN. Likewise, the FMLN is not the armed wing of the FDR," Zamora insisted. He stressed that "each front has its own identity, and logically they cannot agree on everything. However, the U.S. hopes that our alliance will be broken are just a dream," he added. "The FDR and the FMLN have a political alliance based on fundamental agreements," Zamora stressed.

Referring to the guerrilla forces' current situation, the opposition leader denied the guerrillas had become weaker. He said "the operations theater has been extended to practically the entire country, while the Army has been held in place. [no closing quotation mark as received]

Zamora ended a tour of several West European countries today. He visited Spain, the FRG, Sweden, the United Kingdom, and France, where he met with political leaders and top government officials.

"In all the governments of those countries I have noticed a great interest in finding ways to support Esquipulas II and the conviction that a political solution to the conflict is necessary," Zamora concluded before departing for Mexico.

Nicaragua

D. Ortega Denies Brother's Remarks on Army

PA141950 Managua Radio Catolica in Spanish 1815 GMT 14 Dec 87

[Text] Defense Minister Humberto Ortega Saavedra's announcement on Saturday that his ministry would be willing to organize a 600,000-man army was denied by his brother, Daniel, in an interview granted hours later to THE WASHINGTON POST. Referring to what his brother said, Daniel Ortega said that the organization of a 600,000-man army would make no sense in a country that has a population of only 3 million.

The president's remarks were not published by any of Managua's progovernment newspapers. Instead, they highlighted the defense minister's announcement. The denial was broadcast today by international stations after it was published by THE WASHINGTON POST.

Addresses Trade Unions

PA132305 Managua Domestic Service in Spanish 1815 GMT 13 Dec 87

[Speech by President Daniel Ortega at the closing session of the fifth national assembly of the Eduardo Contreras Trade Unions at the Olof Palme Convention Center in Managua—live]

[Text] If you are not too tired after such a long day, I thought that after lunch—it is 1215 now—we could meet again to discuss our conclusions, and I will try to answer

some of the issues raised in your document. However, in doing that we would run the risk that instead of meeting here after lunch you might prefer to rest. It is best if we conclude the assembly now, and then you can have lunch. So, hold on a little longer and follow the example of the comrades from the vanguard whom we are honoring today. [applause]

Economic problems are linked to the political problem, and, in the final analysis, they are linked to class interests. A revolution triumphed in Nicaragua on 19 July [1979], a revolution that defends the class interests of workers and peasants. However, the revolution also provides maneuvering room enabling those minority economic sectors not represented through workers' and peasants' class interests to participate in the revolutionary process. Were we to analyze the economic situation without taking the factor of the war into account, we would discover that Nicaragua's economic situation—that is, the economic crisis Nicaragua is experiencing—is not a phenomenon unique to Nicaragua.

In the United States, to cite an example, in that powerful nation, that economic and military power, there is right now an acknowledged unemployment rate that means in numerical terms that there are 6.8 million people unemployed. There is also the overall crisis that the U.S. economy is experiencing and the fiscal deficit. Let us not believe that there is no fiscal deficit in the United States, that they do not have a fiscal deficit. The 1987 fiscal deficit in the United States rose to $248 billion. The United States expends 61.7 percent of its budget on armaments without being at war with any power. The United States allots 61.7 percent of its budget to the military with the idea that it can become the master of the world.

If they would not invest so heavily in armaments they would not have a fiscal deficit, there would not be unemployment in the United States, and they would not generate economic crises in other countries, such as in Latin America and the Caribbean. In order for them to maintain their rather high standard of living—which far exceeds that of the developing countries—and along with it such a high fiscal deficit, they have to undertake economic and fiscal measures. Those measures brought on by the U.S. economic crisis affect the economies of the developing countries.

You are the leaders in your various places of employment. You leaders are a means of ideological and political communication with the workers' rank and file. Therefore, you, above all, are the ones who should be completely aware of the nature of the economic crisis experienced by our [Latin American and Caribbean] countries, including Nicaragua.

In Nicaragua's case there is the war, an element that doubly affects our economy. In other words, the war greatly affects the Nicaraguan economy. A Latin American or Caribbean country that is not at war is in a better position to face the economic crisis. However, at present there is no way—or, I should say, no willingness on the part of those who represent a decisive factor in the resolution of the crisis and who have the power to do something—to change the international economic order. There are proposals, but there is no willingness on their part. It would suffice if the United States would accept the disarmament proposals made by the Soviet Union to reach total nuclear disarmament in the short term. That would mean that billions of dollars would be saved and could be used for trade, financial, and economic relations between the highly industrialized and the developing countries.

If the highly industrialized countries, if the market economy—in other words, the capitalist countries—and the highly industrialized socialist countries did not invest in armaments, enormous resources would be freed up and the industrialized countries living under a market economy that wished to cooperate with the developing countries could do so. Similarly, the socialist countries that cooperate with the developing countries could increase cooperation with our nations. That [the expenditure on armaments] is a central factor linked to the economic crisis that affects the world.

An agreement between the Soviet Union and the United States has been signed recently. The agreement affects 4 percent of the existing nuclear arsenal. In other words, the agreement is very limited because it only affects 4 percent of existing nuclear armaments. There are still nuclear weapons in the world after the signing of this agreement. There are still enough nuclear weapons to blow up the entire planet several times over. The military expenditures imposed by the U.S. Government on the Soviet Union continues. The United States also imposes those expenditures on the socialist countries. The Soviet Union challenged the United States by proposing the following: Let us do away with all existing nuclear armaments and use the resources that we would invest in that area to benefit our own peoples and to contribute to the development of those countries that are experiencing a difficult situation and a deep crisis, those countries known as Third World countries or developing nations.

The United States' reply has not been befitting of that proposal because, on the one hand, while the United States has agreed to dismantle short- and intermediate-range missiles—it agreed to that with the Soviet Union—this affects only 4 percent of the existing nuclear arsenal. Meanwhile, the United States has made it clear—President Reagan and Vice President Bush have affirmed—that the program to take nuclear weapons into space, known as the Star Wars program, will not be eliminated. The United States has made it clear that it will continue with that program, which requires billions of dollars from the U.S. budget. In view of that threat the Soviet Union cannot remain idle. It will also have to invest in its own program to take Soviet armaments into space,

because neither the Soviet Union nor the peoples of the world can tolerate the idea of the United States becoming a hegemonic, military power.

If the Soviet Union is now an equal, contentious force and yet the United States has invaded various parts of the world, we can imagine what would happen if the United States succeeded in achieving military hegemony.

There is great economic pressure exerted on all the peoples of the world, including the people of the United States, which officially has 6.8 million people unemployed. Who knows how many more are not officially registered.

Speaking of the economy, I must say that the revolution's enemies continue to say the economic situation in Nicaragua was better before. When I say before, I mean when the enemies of the revolution were in power, although Somoza was the official ruler. They were in power because the capitalist exploitation system prevailed in Nicaragua at the time. They were anti-Somozist, but they were not anticapitalist. Some of them did not want Somoza to govern the country because they wanted to govern Nicaragua. They had secondary, not major disagreements with Somoza. Most of their important disagreements were with the workers. They were interested in exploiting workers.

What happened at that time, what happened at that time [repeats himself] not only in Nicaragua, but in Latin America and the Caribbean? Between 1950 and 1980 the population of Latin America grew. In 1950, 54 percent of the people worked in agriculture. In the 1980's, 33 percent of the people work in agriculture.

Between 1950 and 1980, a process called modernization and industrialization took place in Latin America. It was a period of economic growth. However, it was the kind of economic growth that benefited a minority or several minorities. It was economic growth that occurred at the expense of the large majorities of rural and urban workers.

In those 30 years the rural population moved to the cities and the cities grew. In the past Nicaraguan industries profited from that movement. It was profitable because there was such a large number of unemployed that the enterprise owners could pay what they wanted to the urban workers. They could even threatean workers with dismissal if they organized. Workers were dismissed if they protested, and workers were also imprisoned and even murdered if they protested or went on strike. This also occurred with rural labor exploitation. There were so many unemployed in rural areas that owners could easily find cheap labor.

However, this policy of modernizing and [words indistinct] the economy was done at the expense of national interests. The capitalists did not think of national interests while they were promoting those policies. The transnationals sought refuge in foreign debt and, therefore, this had negative results later. The cost of what was actually a period of enrichment for a minority of Latin American countries, and greater poverty for the majority of Latin American countries—under the pretext of modernization and industrialization—was paid on an international market that was not controlled, but which the countries depended on. It was paid in the face of an international bank that the countries did not control, but which they depended on.

Thus, by 1980, these economic sectors—I am not talking about the workers, I am talking about the economic sectors that were benefiting from that plan—began to talk clearly and loudly about the crisis. The crisis began, and it began because the industries that had developed in those countries were suddenly left without a market. The crisis resulted because the ever-growing debt was financially draining all of those countries, including Nicaragua in the times of Somoza.

Therefore, everyone today agrees that we were not [words indistinct] correctly. This is clearly stated in the document signed by the eight Latin American presidents who recently met in Acapulco. They analyzed the economic crisis. They pointed out the causes of the crisis.

For example: In good times—1950-1965—Nicaragua had a growth rate of 6 percent. From 1965-1974, Nicaragua had a growth rate of 4.2 percent. In 1974, Nicaragua's growth began to slow. In other words, it began to move backward, as it dropped to 3.1 percent. As for exports—a topic that is being discussed very much in our country and throughout Latin America—they increased from 1950 to 1965. The topic of exports is discussed rationally throughout Latin America, as it is discussed here by the government and the revolution, but not by those who are against the revolution. They maintained a growth rate of 7.5 percent in 1965, 8.7 in 1950, and 7.5 in 1965. From 1965 to 1974 it dropped to 4.6 percent. In 1974, the figures are negative. The growth rate was minus 4.8 percent and minus 6.1 percent. [sentence as heard]

During that period of growth all countries experienced the same thing: 10 percent of the high-income population had 5 times as many resources as did 40 percent of the population. Naturally, for them those figures are good, as this is the type of economy they would like our countries to have. However, this is done at the cost of millions of peasants who were deprived of being the owners of a small plot of land because the landowners evicted them, or because the landowners stole the land, or because the military stole their land, or because they were in debt to the bank and the bank took the land away from them.

As a result of this sort of policy, from 1950 to 1976 over 40 million peasants left their fields in Latin America and moved to the cities. That is why the Latin American cities experienced such a high growth. Nicaragua was not the exception.

Under those conditions half the Latin American population consumed less than 1,400 calories a day, which is the minimum number of calories needed to be able to work. Those here in Nicaragua who are now protesting against the revolution never went hungry. Those who are now screaming about hunger never knew what being hungry is; they do not know what it is to be hungry. Now they claim to be worried by the people's hunger.

In 1970, 27 percent of the homes in Latin American cities and 62 percent of the homes in rural areas had incomes of less than what staple products cost. This has worsened. In 1970, the wealthy sector, which comprises 30 percent of the population, consumed 75 percent of the meat. The entire so-called period of industrialization and modernization was good business for the transnational companies and for the financial and commercial bourgeoisie, who watched their revenues grow. However, this was a negative period for the peoples.

However, that boom period ended. It ended in such a way that it jeopardized, that it jeopardized [repeats himself] even the very capitalist Latin American economies. If here in Nicaragua Somoza had stayed and the revolution had not triumphed, or if other capitalists—no matter what their last names—were ruling, those men could not have rescued the country from the current crisis.

That is why the eight Latin American presidents representing the capitalist economies met in Acapulco to try to save those economies. It happens that those external factors that have been accumulating as a result of the U.S. arms race—which entails expenditures in the billions of dollars—do not permit the industrialized countries with market economies to conduct a flexible economic policy. The U.S. prescribes the IMF measures to all the Latin American countries. All of Latin America is being affected by the reduction in the prices of exports and by the increase in the prices of imports. That situation necessarily affects export trade, affects the value of exports, and affects the availability of resources for all Latin American countries.

The industrialized countries with market economies have taken steps. The United States has taken steps to keep Latin American products out of their market. These products are much cheaper and can be placed and quickly sold on the U.S. market. Therefore, they adopt what we refer to as protectionist measures to keep out or to bar the entry of those products.

During 1970-1979, U.S. banks charged an interest rate to Latin countries that owed them... [changes thought] We owe them because we are also debtors since we were left a debt with U.S. banks. Those banks have not loaned us a penny since the triumph of the revolution. The interest to be paid on the foreign debt was 8.1 percent from 1970 to 1979. This (?increased) in recent years. During 1980-1983 it rose to 10 percent. It later rose to 12 percent. Interest rates have been increasing at that pace.

Consumer prices throughout Latin America have risen at a yearly average of 157 percent. There is inflation throughout Latin America. There is an increase in consumer goods throughout Latin America averaging 157 percent every year. During 1983-1985, Latin America sent abroad $105 billion. That is referred to as net capital export. $105 billion! And the foreign debt continues to rise. It is estimated that huge amounts of capital have fled from different Latin American countries, Nicaragua included. During Somoza's time millions of dollars were sent abroad. A total of $123 billion has been sent abroad. This means $229 billion—$229 billion generated with sweat, with effort, with sacrifice, and with the exploitation workers suffer in most Latin American countries; that $229 billion generated with all that effort by Latin American workers—has not remained in Latin America. Instead... [changes thought] That money has not remained in Latin America even for the benefit of capitalists who exploit the workers. That money has not remained in Latin America even for the benefit of the companies that exploit those workers. Instead, the payment of the foreign debt has departed, as capital flight, toward U.S. or European banks.

Measures have been adopted. Economic measures have been adopted everywhere. Everyone has rushed to adopt measures to try to save oneself or survive. The problem of economic survival does not involve only Nicaragua but all Latin America.

The Chilean dictatorship imposed very strict measures. The U.S. Government has lauded the Chilean dictatorship for being efficient in learning how to impose correct economic measures. Yet, at what expense? At the expense of unemployment. For example, Chilean industry had 24 percent employment... [corrects himself] unemployment in 1981. This 24 percent... [changes thought] In 1981, Chilean industry, when they were already talking about all these measures, experienced a rise in unemployment. Unemployment often rose because of the domestic measures that were adopted.

We must bear these figures in mind regarding the situation in countries with strong economies. It is important that you know that these figures were issued by ECLA. According to it, 1983 industrial production in Chile is the same as 1987. It is not true there is economic stability or development. There is a recession. In Argentina and Uruguay, 1983 industrial production was the same as 1971. There was a recession, too. In Brazil, 1983 industrial production was the same as 1978. In Mexico, 1986 industrial production was the same as 1980. All together,

the average for Latin America registered a 17-year decline—17 years! This figure includes small- and medium-sized countries like ours, where the recession is even greater.

Therefore, at present there are no, there are no [repeats himself] provisions to stabilize the Latin American and Caribbean economies. There is a willingness to stabilize the economies, but there are no provisions, because the only ones willing to change the current situation are the ones affected by it. The other side is not willing to change the situation, and that is the side that is affecting us. In other words, the United States is not willing. There is no true willingness on the part of the highly industrialized market economy countries.

The result of this is what we all know as an unfair international economic order, regardless of the willingness of the other party. Nicaragua is a part of that international economic order, amid that international economic order. We should analyze and understand the Nicaraguan economic crisis within that framework. We cannot remove Nicaragua from that context and say, as the rightist, reactionary, exploiting ideologists possibly say, that the revolution brought inflation, supply problems, and economic crisis to Nicaragua. That is a big lie. They know very well that they are telling a big lie, because with or without the revolution there would have been an economic crisis here. The difference is that without a revolution there would have been an oligarchic, capitalist regime directing Nicaragua's economy and relying on an army to maintain that economy. It would have tried to repair that economy by following the rules dictated by the IMF. That means that if, for example, the (Secalsa) enterprise lacked raw materials it would simply declare bankruptcy and disappear and its workers would have to do what they could to survive.

That is their logic. What they would do is change the Nicaraguan economy in such a way that the great weight of the crisis would fall upon the workers. Unemployment would increase, a number of enterprises would disappear, and a capitalist elite would appear, a capitalist elite. It would be a capitalist elite that would become richer at the expense of the enterprises that would continue operating. That elite would have an army at its service. That army would repress workers as often happens in many Latin American countries, which want to teach us democracy. In those countries workers are repressed in the streets daily when they go out to protest unemployment or stage a stoppage or a strike. In those countries workers are repressed, shot at, beaten, and imprisoned, because those armies are there to defend, to defend [repeats himself] a specific social class: the capitalist class, a class that exploits workers.

The Nicaraguan situation is more serious than the situations in other Latin American countries because we are at war. I am not going to repeat here the figures and data that you know so well about the effects of the war and the budget that we are forced to have to defend the country.

What type of economy have we developed here in Nicaragua? After the revolution's victory we first talked about national reconstruction. We still had the war, and the economy was crushed. This was a country in crisis. We had inherited a country with dramatic conditions. That is why we talk about national reconstruction. [passage indistinct]

Let us recall the first months following the revolution's victory. Jobs were created and investments made, but the war began in 1981. The war began in January 1981, when President Reagan was inaugurated in the United States. It is an economic, military, political, and financial war. It is a total war. The war is increasing all the time and harming our economy more and more. The war has been going on for 6 years and 11 months. In January, it will be 7 years.

There is an economic crisis that is affecting everyone, and it is affecting us. We adopted some measures in 1985, and we have called it the survival economy. We had to adopt some measures; for exampie, the subsidies. Speculators were stepping in because we did not have proper distribution for all the workers, for all the population. There were many [words indistinct]. We established supply centers or commissaries in the factories and various enterprises. After this was taken care of we went into land distribution. We then decided to change this, because the crisis was grave and something had to be done. We had to do something to control the crisis; not overcome it, but control it.

The measures we adopted in 1985 continued in 1986. You probably remember very well that our main economic goal was to increase the production of basic goods and foods and to increase production of export goods. In order to do this we had to find ways to protect the workers from the formal [as heard] sector and fight speculators. In order to fight speculators, we had to organize a distribution network. MICOIN [Domestic Trade Ministry] was given this very complex and difficult task. Products such as corn and beans—perishable goods that we had wanted to store and later sell at a stable price—had to be left to the free market. We had to do that to increase production. These are goods produced by the peasants, and the measures we had adopted did not encourage the peasants to produce. In 1985-86 we held several meetings. We said the problem could not be resolved through wages, but through production. There was no sense in paying better wages if there was not enough production, if there was no greater supply of basic goods and foods for the workers. For 2 years—1985-87—workers had their salaries frozen. Inflation continued to affect us, because there were external factors that we could not control.

There is very little we can do in the face of those external factors. There is nothing we can do if cotton prices drop, or if the prices of parts, supplies, tires, and everything we import increase.

Thus, in 1987 we had several meetings. We started the year by greatly changing the exchange rate and salaries. In other words, we increased the amount of money in circulation, put more money into the market. This led to the use of 50,000, 500,000, and 1-million [cordoba] bills, as other countries that have experienced profound crises have done. In those countries the economy returned to normal and they continued to use those bills.

Inflation continues to affect us. Neither Nicaragua nor any other Latin American country has the instruments to halt inflation. We are worse off because we are at war. Without the war, without the war [repeats himself] inflation would not affect us as much as it does now. The truth is that the war is there, the war is there [repeats himself]. At the beginning of the year we told you changes in prices and wages took place to more closely reflect the real cost of products and to accomodate production workers instead of rotating them from one area to the other.

However, since the price fluctuations... [changes thought] since the goods available are still few, we have an opening for a free market, which will be impossible for us to close. Rather, it has remained as a recourse, like returning to establishing commissaries in the companies and factories. In addition, we must also make CAT's [Workers' Supply Centers] serve workers of a certain sector, who will be able to use the various CAT's to purchase goods. In others words, we must improve product distribution. Of the famous 54 products... [changes thought] We must review the plans and guidelines for 1988-1990, as we have stated before. We must review all of them taking your proposals into account, because they will improve the measures we will take.

Therefore, we increased... [changes thought] When we increase wages everybody will immediately know that prices will also be changed, the needy will [words indistinct], but despite that we established that mechanism, that mechanism [repeats himself], and, in addition to that, for objective and subjective reasons workers want to have higher wages, because they think that even if prices go up they will be able to compete against other workers, who are also looking for the same restricted products, if they have a better salary. The truth is that the workers' purchasing power has deteriorated, it has continued to deteriorate. There has been no way to prevent that deterioration.

What, then, is the main task of the Nicaraguan workers at this moment? We should not harbor hopes or give the workers' hopes that the economic problems will be resolved while there is war. The workers must be told clearly that the economic problems cannot be resolved while there is war. An immediate main task is not defending social and economic development. This is not the Nicaraguan people's immediate task. Defending the revolutionary power is the main task. That is the phase we are going through now.

The fight against Somozism and imperialist domination did not end on 19 July. There was a brief respite between 19 July 1979 and January 1981, when the war restarted. One must then see this war as a continuation of the war that led us to power, but now we are facing a counterrevolutionary war; the United States is the counterrevolution bent on destroying the revolution. The main tasks must revolve around the revolution's military defense. The sooner we can strike and eliminate the mercenary forces, the sooner we should be able to end the war. If it becomes necessary at a given moment to mobilize the workers from all the country's enterprises to go and fight and finish once and for all the mercenary forces, then we shall have to do so. [applause, chants]

We should have this willingness first in the leaders, and then raise awareness among the rank and file so everyone has this willingness, with the conviction that the sooner we wipe out the mercenary forces, the sooner we shall end the war. The conflict with the United States is not going to be over; that country will find other ways of affecting the revolution. We could already be resolving the war, which is a destabilizing element in every aspect. We would be in a better condition to discuss the economic problems and the series of economic plans to control inflation and price-salary ratios. We would have better conditions. This is the workers' main task—defending the revolutionary power.

How will a worker defend the revolutionary power until he is called to mobilize himself into combat? How will the worker defend the revolutionary power? In his work center, by being efficient and disciplined, by being as willing as these (SECAL) comrades have been in going to another work trench until more raw material arrives to enable him to continue work in his own enterprise.

This is the awareness we must reinforce in the Nicaraguan working class, in the workers and peasants. This does not rule out our great efforts to try to bring coherence, to prevent bureaucratism from developing in the government or trade unions, to improve whenever possible the people's living conditions. We must make this effort because we are not alone in this battle. We have very important international cooperation—which is not enough when we have to face the cost of war and the international economic crisis, but it is still important. If we learn how to use this cooperation efficiently, we should be able to survive as far as basic services for the people are concerned, making some improvements, especially in the countryside, without renouncing—in fact always aiming toward—improved conditions for workers in the field and in the city.

Wages and food supplies continue to be our main task. We repeat: The problem cannot be resolved through wages. The measures adopted regarding wages and prices are basically to reorganize our fiscal, financial, and budget situation in order to make an impact on production and to improve it to a certain degree. However, we cannot expect spectacular changes in production, or that

production will increase in such a way that we will have enough products available so everyone can buy them at official prices, thus eliminating speculators. There will be speculators as long as there are shortages. Therefore, there is no way to... [changes thought] in other words, we can struggle and adopt measures to counter speculators, but they will always be there as long as there are shortages. Hence, readjustment measures have also been adopted so industrial and agricultural enterprises can maintain and increase their productivity as much as possible. In that regard we have demanded that they increase their productivity with whatever resources they have.

If the cotton gin our comrade mentioned is out of spare parts, that can be a serious problem when the time comes for ginning, and the few other cotton gins will be overloaded, but only if there are enough spare parts for those other cotton gins.

Those are the main problems, and that is why we have called for a better distribution of foreign exchange. We have less foreign exchange, and therefore we must seek better ways to distribute the little foreign exchange we have in the face of a large demand. We must channel that foreign exchange to the key sectors of our economy, so our economy will not suffer or collapse, so it can survive. Could an enterprise survive—from a profitability viewpoint—the way we run our enterprises? When a worker leaves an enterprise on military service and the enterprise continues paying that worker or reservist's salary, from a profitability viewpoint that enterprise is losing. It is an anti-economic measure. However, it is a necessary political measure, and maybe a necessary economic measure, because this is a revolution, and we are defending the revolution. If an enterprise must pay a worker for the time he is on active service, it will have to do so.

The concerns you have expressed regarding the functioning of enterprises, workers' discipline, and work organization are matters that can be dealt with. We can find solutions to those problems in order to produce under very difficult conditions, it is true, but in as organized and orderly a way as possible. Nor should we expect that with a reorganization the enterprise will increase its productivity 3 to 4 times. That is not possible. However, you should work with the proper mentality, spirit, and determination to help the enterprise maintain and gradually increase its production. In a way, workers should be guerrilla-minded. In other words, if there are no raw materials somewhere, workers should move to another area to reinforce other sectors that are short of manpower at the time. We must work under those conditions.

This document with the resolutions of the fifth national assembly of trade unions will be included in the discussions, already in progress, of the measures to be adopted in 1988. We will continue implementing the measures we have been implementing since 1985. It is true that we must readjust those measures in accordance with the circumstances. We must readjust those measures, which is what we have been doing since 1985.

According to the plan, by this time—by November and December this year—a wage increase should be given. I should not say an increase; it should be a readjustment—because that word increase is not real—it should be a wage readjustment. The perception that we have about the workers' views is that a wage readjustment must be made because despite the political accomplishments and the workers' willingness to sacrifice, the truth is that prices have continued to increase. When a readjustment is made the worker's wages temporarily increase, but then prices tend to increase. Therefore, we are in an [inflationary] spiral. We are working on some ideas to readjust these guidelines in 1988, when we will even resort to subsidies. However, the subsidies will be for products that go directly to work centers and not for products in the free market because we know they are subject to speculation and that would mean we would be subsidizing the speculator.

In other words, we are not interested in changing wages too much because that would mean changing enterprises' prices. If wages are readjusted an enterprise would immediately say that costs have gone up so prices should increase. This is true for both state and private enterprises. Therefore, it is not advisable that we get involved in that spiral of putting more money into circulation when there is no substantial increase in production.

If we make some wage adjustments, which must be made, then these measures will have to be accompanied by actions to subsidize some products. The producer would get paid the real price of that product based on the cost of that product. However, as I said, because we are not interested in changing wages, production workers can be sold the product at a subsidized price, in other words, at a price that is lower than the price paid by the state or whatever institution distributes that product. For example, if MICOIN buys a product from an industry at a cost of 100,000 cordobas and we want that product to cost the worker 50,000, then that product will be made available to the worker in the production center through the commissary or the CAT at a price of 50,000 cordobas. The other 50,000 cordobas will be subsidized by the state. In this way we will be ensuring that the subsidy reaches the worker, that it will benefit the worker and not the speculator.

We are still working of ideas to confront the crisis, not to resolve it. It is an effort to confront the crisis, always with the defense of revolutionary power at the core of this effort. Military confrontation is the spearhead of the defense of revolutionary power. However, production is also a spearhead. The defense of production is the defense of the worker so he can buy basic products at official prices, so he receives a wage with which he can buy those products.

Regarding wages, the readjustment was scheduled for November and December. November has already passed so we will not make the readjustment retroactive. The wage readjustment would be effective in December. The wage readjustment could be paid in December, on the 20th. The 13th month bonus is not involved in this because it was already paid. [applause] We would be talking about a 100-percent wage readjustment. [applause]

We understand how we are using the wages. We should not create false hopes among anyone. Regarding the income tax, this problem was raised here. We agree that we have to protect production workers.

What we will do is to raise the bracket. It is now up the 19th bracket. In other words, from the 19th bracket on up one has to pay the IR [income tax]. Therefore, we would raise it to the 39th bracket. In other words, the deductible would be 460,000 cordobas, those who make 460,000 cordobas, not including incentives. Those who earn more would have to pay the IR. [applause]

Some speakers here have discussed economic brigades and the innovators' movement, which must be strengthened. They have also spoken about the participation of women in work.

We are going to consider this proposal about incentives when we study adjustments for the 1988-1990 period. We are going to take this into consideration. We will take into consideration all the points you have presented here.

The subject of the Constitution is a very important one, because it has to do with the dialogue being held with opposition groups in our country, with opposition political parties. The Nicaraguan Constitution is a revolutionary constitution. It is revolutionary because it was born out of and is the child of the Nicaraguan people. [applause]

Since there is pluralism here, the rightist parties may say whatever they please about the Constitution, but labor unions—the workers—may also say and propose whatever they like about the Constitution, because the workers and the peasants are as entitled, or more entitled, to speak about the Constitution than these groups that pretend to represent the workers and the peasants in reforming the Constitution.

Many newsmen have asked us the following question: If the Sandinist Front were to lose the forthcoming elections, would it yield power? I was recently explaining to a journalist that in the hypothetical case that the FSLN were to lose an election it would turn over the government but not power. [applause]

We have to understand this clearly, because many political matters are being discussed now along with the negotiating issue and the Esquipulas agreement, and this could result in some confusion.

The Nicaraguan people, with the Sandinist Front leading them, carried out a revolution and conquered power for the workers; this power of the workers has imposed profound changes on this country, and these changes are irreversible. The workers, for the first time in the history of Nicaragua, have an army at their service, an army to defend their class interests. [applause]

For the first time in history the workers have the opportunity to organize themselves, to have a voice, and to meet in places such as this, built by them, the workers. For the first time in the history of Nicaragua they have access to the media and the right to speak out, to organize, to criticize. For the first time the peasants enjoy the right to have land in Nicaragua. For the first time in history the country's natural resources belong to Nicaragua; for the first time in history Nicaragua is a sovereign country that has its own policies.

We have built a revolutionary power here, a people's power, a workers' power that has made room for the political participation of their class enemies. The revolution has given them room, room that the class enemies of the workers have not earned, room that could very well be closed by our country's workers. If the right continues making those cheap speeches about the poor workers who are going hungry and the poor workers being oppressed by the Sandinist regime, we could invite all those who have property and wealth in this country to deliver it to the poor workers. [applause]

It looks like they want us to adopt that type of measure and to end political pluralism and a mixed economy. They who want to remain in Nicaragua would become, if they want to be able to eat, salaried workers. [applause]

We have political space here. It is power we will never jeopardize. I explained to the journalist that this same principle exists in the United States and all Latin American countries.

The case of Chile is a perfect example of how class interests always win over so-called democracy when it comes down to elections. In Chile, the Popular Unity party, with Salvador Allende at its head, won elections there with 33 percent of the votes. Then came a thorough destabilization campaign against the Popular Unity. They used the same arguments there they are using here. They did not have to arm a mercenary army there because they already had the domestic Army, which was and still is at the service of the capitalist power, of the power used to exploit the workers—the power of the minorities. They had an army. They did not have to invent an army to wage war on Allende; they had an Army. They initially wanted to eliminate the government using the workers. There were CIA-provoked

strikes in the mines. Some workers fell into the trap and carried out strikes. There were transport workers strikes, strikes by businessmen, and strikes by producers. Capitalism has control over private property there. There were discredit and slander campaigns through CIA-managed and CIA-paid media, by newspapers and radio stations on the CIA payroll. The CIA carried out a plan to destabilize the Popular Unity government that had been elected—in between quotation marks—democratically.

But, of course, capitalist power in Chile allowed Salvador Allende's government to go no farther than that. They then started destabilization campaigns. After those campaigns there were shortages and an economic blockade by the United States. People in Chile had to stand in long lines to get a piece of bread, and the economic situation was terrible. This was followed by municipal elections, and in those elections the workers who refused to allow themselves to get involved voted for Popular Unity, and it turned out they received more votes then than they did in the general elections.

This is when the imperialists got scared and decided to start using class power, capitalist power, pro-imperialist class power. The imperialists never approved of Popular Unity and never allowed the party to have full power. They allowed the party to take power but not to govern. They used their power to destroy the Popular Unity government.

Many Latin American countries have opposition parties, leftist parties, civic oppositions, but those groups have no access to the media, they have no possibility of ever attaining power. They are faced with a two-party system that rotates power to defend a system.

Even if the United States changes its system, whereby you have the Republicans in power today and the Democrats tomorrow, neither Democrats nor Republicans would destroy private property in the United States. They have a common class interest. Likewise, there are many political parties in Latin America that take turns governing. The countries that have more active, nationalist, and progressive positions are accused and destabilized. I can give you a hypothetical example. I am certain, I am convinced that this people would never vote for any political party besides the FSLN. [applause]

If the people went crazy and elected an opposition party, that party can govern as long as it respects the established power, and we will be in the opposition, defending the respect for that established power. [applause]

If an opposition party were to achieve power and wanted to return land to the landowners and Somozists, the moment they tried to start returning homes to the Somozists, the moment they tried to return all the properties confiscated by the people from the Somozists, the moment they tried to convert the people's army into a capitalist army, the people would rise up at once, and the FSLN would be at the head of that insurrection. [applause]

The capitalists held power in Nicaragua for more than 150 years, and they know perfectly well that power is now in the people's hands, and they know this power can no longer be wrested from the people.

The capitalists have placed all their hopes in the United States, on a U.S. invasion, because strategically the mercenaries are defeated. The United States has failed in its effort to use the mercenaries as a force to destroy the revolution. This failure, however, has not resulted in eliminating the mercenaries from our country or in ending the harm they cause our economy; that is, the war has not ended—the war continues. But they cannot destroy the revolution through the mercenaries. A U.S. military invasion is still possible.

What plan have they drafted? There is the Guatemala or Esquipulas agreement, which creates a larger political opening for right-wing and pro-imperialist groups in our country during a war. A big opening has been created. The CIA is planning to create, through the right-wing parties and media, a Chileanization of Nicaragua: They plan to do here what they did with Allende. This Chileanization would complement the mercenary forces' activities. By providing the mercenary forces with a parallel Chileanization that would create unrest among the Nicaraguan people, the CIA would have conditions suitable for launching an invasion. This threat exists and will continue to exist.

It is important that the right-wing parties and the ultra-left-wing parties that call themselves communist, socialist, and Marxist-Leninist seriously and responsibly respect the Guatemala agreement, because the Nicaraguan Government has done so and has created a political opening for those groups. Democracy has been present here from the moment the workers and the peasants secured the right to speak and to make decisions. There would be democracy in Nicaragua even if those sectors were not here. They are not needed for democracy to exist in Nicaragua. The right wing is not needed for democracy to exist in Nicaragua. Democracy is built by the strength of the workers and people. That is what makes democracy; that and the workers' real power.

We are fulfilling the Guatemala agreement because we want peace, not war. However, they continue to flirt with the U.S. interventionist policy—the imperialist policy. They continue to hope for a U.S. invasion, and they continue to work to prepare suitable conditions for that. This is neither a serious nor a responsible attitude. They have a suicidal attitude, because an invasion would benefit no one. It would cause more suffering for the Nicaraguan people. It would cause suffering for the U.S.

people, too, because U.S. soldiers would die in our country. An invasion would bring sacrifices and pain to the United States and the entire Central American region.

I want to take advantage of this meeting with the workers to urge the right-wing parties and media to act responsibly, because the difference is vanishing rapidly between the armed counterrevolutionaries and the counterrevolutionaries who are not armed with rifles but who complement the armed counterrevolutionaries and the U.S. interventionist plan. This means that we would be facing a single enemy and that in the same way that we fought energetically against the armed counterrevolutionaries we would not allow the counterrevolution and imperialism to open an internal front by taking advantage of the Guatemala agreement.

They can carry out as many demonstrations as they please, and they can make as many statements as they wish, but they must realize that the Nicaraguan Government respects and accepts the challenge of a civic opposition within a national framework. However, we cannot accept a so-called civic opposition that has come to represent imperialism and counterrevolutionary groups without our country.

Such a situation would provoke the Nicaraguan workers, peasants, and people. The government can be a little more patient and the Sandinist Front can make efforts to be a little more patient, but the people can lose their patience very quickly. [applause]

We feel the people's pressure. We feel the people's pressure when they ask: how far are we going to go? How much more are we going to accept? When there was talk that without accepting the amnesty, members of the counterrevolutionary leadership were going to enter our country, thinking that thousands of Nicaraguans would welcome them like heroes, we were worried because we knew that thousands of Nicaraguans would come out, that all of Managua, that 500,000 Nicaraguans would come out, not to receive them but to lynch them, and that it would be difficult to prevent that. [applause, shouts]

That is why we said that those who did not accept amnesty could not enter our country and that their doing so would create a big problem, because we would have to find ways to protect their lives and security and put them in prison.

This Eduardo Contreras fifth national assembly of trade unions has the slogan: Intensifying the revolution toward the new society. Intensifying the revolution toward the new society means, first of all, defending the power of the revolution. In order to intensify the revolution one must first defend the revolutionary power. This is consistent with the life of Eduardo Contreras; as a member of our National Directorate he distinguished himself as an organizer among the FSLN ranks. He headed that victorious December action, which, after the killing of Somoza by Rigoberto Lopez Perez, was the harshest blow dealt to the Somozist dictatorship by the Nicaraguan people through the FSLN. Those were truly dramatic and heroic moments that shook all the Nicaraguan people. It was the time when the commando group seized the house of a Somoza minister and held officials and relatives of Somoza.

Eduardo Contreras headed that commando group on 27 December, providing strong defense, and ready to make the ultimate sacrifice if FSLN demands were not met. Somoza, then, for the first time, suffered a defeat in the eyes of all the people and the world.

Somoza had to free the Sandinist prisoners and had to hand over $1 million to the FSLN, but more important than the freeing of the prisoners and the $1 million was the reading over a radio network in our country of two FSLN communiques. For the first time the voice of the FSLN was heard over a radio network, which in a clear message from the hills called out for the workers and peasants to fight and struggle for the interests of the humble people, workers, and peasants defended by the FSLN. The message said that the path toward victory was open, and we were forced to redouble our efforts to defeat the Somozist dictatorship, to defeat capitalist exploitation, and to expel the imperialist domination. That was on 27 December 1974.

On 8 November 1976, in his daily altruistic work, living in one place or another in the poor districts, in the shantytowns of Managua, Eduardo Contreras, Commander Zero [as heard], fell into an ambush of Somoza's security forces, at the very moment that our commander in chief, Carlos Fonseca, lost his life in the mountains. That was Eduardo Contreras. [shouts] It is Eduardo Contreras who is present in the Nicaraguan working class, in the vanguard workers, in those who are mobilized in the combat areas, in those willing to harvest coffee, in the disciplined and organized workers, who has a Sandinist and revolutionary awareness. [applause] Free fatherland or death. [shouts]

Opposition Groups Reject Ortega Charges

PA142211 Panama City ACAN in Spanish 2020 GMT 14 Dec 87

[Text] Managua, 14 Dec (ACAN-EFE)—Nicaraguan civilian opposition leaders today denied that they are "complementing the armed contras" to facilitate a U.S. invasion of Nicaragua in the coming months.

The civilian opposition parties—ranging from the left to the center and to the right—will meet separately today to discuss the charges raised against these groups by President Daniel Ortega. Ortega, leader of the ruling FSLN, said during a meeting with Sandinist trade unions that the opposition "complemented the armed contras." He

said: "The proposals made by the contras and the opposition are no longer far apart because both groups are waiting for the invasion and following the U.S. plans."

Domingo Sanchez, leader of the Nicaraguan Socialist Party, told ACAN-EFE: "Today we are going to study the barbaric statements made by Daniel (Ortega), who—protected by power—makes all sorts of charges without any respect." The angry Socialist leader, a strong ally of the Sandinists, said Ortega's statements against the opposition are "an insult" and can only be explained by "fear."

Sanchez said, "the Sandinists are being left alone," adding that "there is no sense anymore in calling Daniel Ortega a comrade." Sanchez rejected the government's charges and blamed the Sandinists for the country's disastrous economic situation. They "are the only ones responsible" for the economic situation, he said.

Erick Ramirez, president of the opposition Social Christian Party, said the president's speech serves "to divert international public opinion's attention and to abolish the civilian opposition's legal status by linking it to the contras."

Ramirez said Ortega is resorting to the same tactics Somoza used when the opposition was demanding democratic reforms. Somoza would say the opposition demands were a "communist plot," Erick Ramirez added. He also pointed out that the Sandinists now say opposition demands are a "right-wing plot."

Ramirez, alternate opposition delegate to the National Reconciliation Commission, said "we have our own stand, and it is a responsible one. We have no links with the contras."

Ramiro Gurdian, vice president of the opposition Nicaraguan Democratic Coordinating Board, said Ortega's charges against the opposition "are definitely covering up the government's inability to find solutions to the country's problems." The leader of the opposition coalition said that instead of raising charges, the government should seek a solution to the economic crisis, which is worsening every day.

Ramiro Gurdian, who is also a business leader, also pointed out that the latest speeches by Sandinist rulers reflect the "FSLN's warmongering spirit." He explained that the attack on the domestic opposition is a pretext for intensifying "bellicose feelings" and increasing the Armed Forces.

Defense Minister Humberto Ortega said on Saturday that the Army will arm about 600,000 men to face a possible U.S. invasion of this country within the next few months.

Gurdian commented that "the Sandinists' military subconscious is coming out. They can only see military solutions to the national crisis."

Obando y Bravo on Suspension of Talks With RN

PA141955 Managua Radio Catolica in Spanish 1817 GMT 14 Dec 87

[Interview with Cardinal Miguel Obando y Bravo by Ignacio Briones in Managua on 14 December—live or recorded]

[Excerpts] [Briones] [Words indistinct] to see if a new date has been set for the meeting between the Sandinist government and the Nicaraguan Resistance [RN]. Cardinal, what can you tell us about the situation regarding the suspension of the meeting that was going to be held now? When will it be held?

[Obando y Bravo] What I can tell you, Ignacio, is that yesterday at 1730, when I returned from my pastoral activities, I received a telephone call from the Nicaraguan Government telling me the meeting we had scheduled for today was being canceled because they had some—I do not know what—problem with the technicians. I tried to get in touch with Miami, but it is sometimes difficult to get a line, and I finally got in contact with the RN late last night. The RN delegation had already traveled to the Dominican Republic. I spoke over the telephone with President Ortega and he said he would see when we could set a date. I think that when we set a date we should be serious about it. If we are not serious about it, then confidence is easily lost. Confidence is needed to work for our goals. [passage omitted]

[Briones] President Ortega hasn't called you today?

[Obando y Bravo] No, I have been very busy here in a meeting. He has not called me today, but we spoke last night, and he said he would see when we could meet.

[Briones] Then setting a new date will depend on his call, right?

[Obando y Bravo] Well, of course we have to wait not only for his call but we also have to take into account both sides involved in the conflict. This is because if one side says we will meet tomorrow and the other side says it cannot do so, then we cannot have a meeting. We have to take into account both sides.

[Briones] I was saying this because if the RN delegation traveled to the Dominican Republic, it means it is willing to meet.

[Obando y Bravo] Of course it is willing, but to set a new date we have to see what the government says and what the RN says because a new date will be involved. If that delegation returns to Miami from Santo Dominco today, we also have to reach an agreement with them.

Dominican Official Comments

PA142151 Managua Radio Sandino in Spanish 1930 GMT 14 Dec 87

[Text] The second round of indirect talks between Sandinist government leaders and Nicaraguan contra representatives was postponed because of difficulties in the transportation of the participants.

Geronimo Danilo Valle Martinez, Nicaraguan ambassador to the Dominican Republic, announced that he will leave on 17 December for Managua to return with the Dominican delegation members late this week or early next week.

Dominican Foreign Minister Donald Reid Cabral explained to national and international newsmen that technical problems—apparently problems with the aircraft that was to fly them to Santo Domingo—prevented the Nicaraguan Government delegation and the mediator in the talks, Cardinal Obando y Bravo, from arriving last night.

Argentina

Communique Issued on Fire at Peronist Center

PY121345 Buenos Aires DYN in Spanish 0623 GMT 12 Dec 87

[Text] Buenos Aires, 12 Dec (DYN)—Justicialist Party sources in Buenos Aires have released a press communique reporting that a Peronist committee of the Villa Lugano district, in this capital, was almost entirely destroyed by an "intentional" fire.

The fire, which started at about 0100 yesterday morning, destroyed the "Hugo del Carril" rank-and-file organization, on Echandia and Jose Leon Suarez Streets.

According to the communique, the library, files, furniture, and other basic furnishings were "entirely destroyed."

The communique points out that the incident occurred only a few hours after the installation of the new board of the Neighbors Council No Eight. Norberto Rodriguez, secretary general of the rank-and-file organization, is also a member of the council's new board.

The text states: "This shows that Peronism has again been the target of violent and hateful acts perpetrated by those who have not learned to respect the will of the people."

It adds: "We cannot but relate this irrational aggression to the recent installation of the new board of the Villa Lugano District Neighbors Council, and recall that, in this district, Peronism was the great winner in the 6 September elections."

The Buenos Aires Peronist leaders then demanded that the incident "be investigated by the authorities in charge of safeguarding public tranquillity."

The charges were filed at Police Precinct 48 and submitted to Judge Roberto Hornos.

CNEA Denies Report on Water Contamination

PY130111 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2138 GMT 12 Dec 87

[Text] Buenos Aires, 12 Dec (NA)—The CNEA today gave assurances that the Rio Tercero reservoir "is not contaminated" by cesium 137 waste from the Cordoba nuclear plant. The waste of the nuclear plant "contains only one- thousandth of the amount allowed" by the IAEA.

The CNEA issued a communique to deny a press report that the waters of the reservoir were contaminated by the radioactive waste periodically discharged by the Rio Tercero nuclear plant.

The CNEA stated that "the authorized amount of cesium 137 discharged" is "a very small fraction of the amount permitted" by international organizations.

It stated that the discharge in the waters behind the dam is equivalent to "one-thousandth" of the cesium-137 allowed. It also denied that the "nuclear plant ignores the ecological status and requirements of the local waters."

The CNEA stated that "the amount of cesium released by the countries of the North as a result of nuclear tests is 100 times greater" than that of the Rio Tercero nuclear plant.

Briefs

Air Force Appointments

Air Force Chief of Staff Brigadier Ernesto Crespo yesterday swore in Brigadier Jose Antonio Julia as the commander of operations. He replaces Brigadier Juan Correa, who was appointed deputy chief of the General Staff. Brig Crespo also swore in new Materiel Commander Brigadier Knud Andreasen, new Air Regions Commander Brigadier Jorge Ruiz, and new Air Force Secretary General [Secretario General] Brigadier Carlos Corino. [Summary] *[Buenos Aires CLARIN in Spanish 11 Dec 87 p 10 PY]*

Bolivia

Vice President Comments on Montevideo Meeting

PY081612 La Paz La Red Panamericana in Spanish 1130 GMT 8 Dec 87

[Text] Bolivian Vice President Julio Garrett Ayllon returned from Montevideo last night. The vice president, along with Senate President Ciro Humboldt and Chamber of Deputies President Willy Vargas, attended the fifth conference of presidents of democratic Ibero-American parliaments.

Vice President Garrett remarked upon his arrival that the conference participants discussed issues important to Ibero-American countries. He noted in particular a motion supporting Bolivia's maritime claim that was unanimously approved.

Garrett said that the approval of this motion clearly shows that Bolivia's claim that Chile should provide it with a sea outlet is fair and deserves international support. He also reported that the next conference of presidents of democratic Ibero-American parliaments will be held in Sucre, Bolivia.

Palestinian Red Crescent Head Pays Visit

PY090146 La Paz La Red Panamericana in Spanish 0000 GMT 9 Dec 87

[Excerpt] Physician Fathi 'Arafat, head of the Palestinian Red Crescent, is visiting Bolivia to learn about the health and social conditions of the Palestinian comunity in our country.

This afternoon 'Arafat and his retinue were given a welcome reception by the Palestinian community in Bolivia. Political leaders of various Bolivian parties also attended the reception. [passage omitted]

Briefs

Relations Established With Guinea

The Bolivian Government has reported that it established diplomatic relations with the Republic of Equatorial Guinea on 21 October at the United Nations. [Summary] *[La Paz EL DIARIO in Spanish 13 Nov 87 p 3 PY]*

Brazil

Minister Sees Good Will in Talks With U.S.

PY150014 Brasilia Domestic Service in Portuguese 2100 GMT 14 Dec 87

[Text] During a meeting with President Jose Sarney, Science and Technology Minister Luiz Henriquez today set the date for the next meeting of the National Council for Information Science and Automation [CONIN], which will meet on 20 January.

The minister said this is another gesture of good will and understanding in the talks the United States and Brazil have been holding on Brazil's computer market policy.

At its next meeting, CONIN will analyze the opinion of Finance Minister Bresser Pereira on a petition filed by the Brazilian companies (Fid) and (Ponimax) against a decision by the Special Secretariat for Information Science, which did not grant a license requested for the software produced by the company Microsoft.

Bresser Pereira Cited on New Fiscal Package

PY150224 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 14 Dec 87

[Text] The day before submitting to President Sarney the proposal for changes in the tax system, Finance Minister Bresser Pereira has announced that inflation is under control. According to Bresser, the inflation rate will stabilize below 15 percent. The new fiscal package should be announced by the end of the week.

[Begin Bresser recording] The new fiscal measures have a social aspect because they contemplate reductions for people on a salary, while they increase rates for capital goods. Therefore, it is a just and fair reform, and it allows us to fight the fiscal deficit and reduce inflation. Inflation is already under control. It has stopped growing, and by all indications the inflation rate will stabilize at a little below 15 percent next month. [end recording]

These are the arguments Minister Bresser Pereira and his team will bring to Alborada Palace early tomorrow. They will deliver their study to President Sarney and immediately participate in an initial evaluation meeting with President Sarney and other ministers and advisers.

Today Bresser explained that there is not enough time to submit the package to Congress because the measures have to be approved this year for implementation next year. Congress will only discuss and analyze the creation of new taxes on the wealthy, which will be implemented beginning in 1989.

Involvement With Regional Guerrillas Viewed

PY111455 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Dec 87 p 8

[By Roberto Godoy]

[Text] Brazil, which is the most important operational link of Latin American guerrillas, is one of the long-term objectives of the revolutionary movements that have acted in a coordinated manner on this continent since 1985. But there is more: Document CP/797, issued by the State Department in Washington, states that there are Brazilian "guerrillas who have received military training in Nicaragua." At the same time, the Pentagon has a report issued by the DIA—the U.S. military intelligence agency—which says that there are at least eight Brazilian citizens among the volunteers of the international brigade of the Sandinist People's Militia. Two of them—"Neto" and "Bia"—are doctors. The others—"Diogo," "Mario II," "Rodrigo," "Maria," "Julia," and "Verita"—are students, workers, and technicians. One of the women is a data processing professional who specializes in telecommunications.

The surprising discovery that the Chilean Manuel Rodriguez Patriotic Front [FPMR]—which abducted Colonel Carlos Carreno, who was released in Sao Paulo on 2 December—has an operational structure in Brazil, including even FPMR spokesman "Roberto Torres," is only a partial disclosure. El Salvador's rebel "Revolutionary Democratic Front" also has a representative: Valladares Oliva. Suriname's Liberation Council has a representative, H. Devree, who only conveys his messages by phone. Both Oliva and Devree live in Rio de Janeiro.

These activities, which are regularly reported to the federal authorities, are believed to reflect Brazil's growing involvement in the armed struggle in 10 nations of the region: Nicaragua, Honduras, El Salvador, Guatemala, Costa Rica, Venezuela, Bolivia, Colombia, Chile, and Peru. Says a former National Security Council member:

"Several measures have been adopted, the main one being the ongoing Calha Norte project. In February, troops will take over 4 places: Surucucu, Sao Joaquim, Quirari, and Yauarete."

Such measures, however, have failed to halt what has been militarily called the "advantageous presence" [presenca utilitaria] of the guerrillas in Brazil. This is a guerrilla tactic: no extremist action is undertaken inside Brazilian territory, but the country is used as a shelter and, frequently, as a source of supplies. There are two specific cases which have been officially recognized: The most serious one occurred in 1983, when members of the high command of Peru's Shining Path clandestinely received in the Amazonian region 200 or 280 Brazilian-made Uru M1 light machineguns. These machine guns are used only by the best guerrillas, for example, the members of the "America Commando," which is made up of seven outlawed organizations.

In March and July British mercenary Charles Mosley, who is an adviser to Suriname's "People's Army," which is led by Ronny Brunswijk, visited Belem, Marapa, and Manaus. He illegally bought $150,000 worth of light arms and spare parts for two planes.

In view of the concern of the government, all Brazilian military attaches in the region were asked 6 months ago to produce classified reports on the situation. The reports reflected an increase in tension and the appearance of a new faction, the "Red Flag," which is headquartered in the Casiquiare district of Venezuela. In this area, which is 300 km from the Brazilian border, nine soldiers and one lieutenant of the security force died in the first clash with these guerrillas.

Further on Weapons Purchases

PY111644 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Dec 87 p 8

[By "R.G."]

[Text] The deadly special operations squadrons of the Shining Path guerrilla group use Brazilian 9-mm Uru MI [as published] submachineguns, a light and very efficient piece of military equipment. It was easy for the rebels to obtain between 200 and 280 of these weapons. In August 1983, when the Amazonia Military Command confiscated a cargo of 2,000 weapons destined for Guyana, but without the appropriate documentation, they noted that some of the boxes were missing. What had really happened is that they were handed over to a Shining Path commando inside national territory. Afterward, these men and the materiel headed for a secure point on the border, traveling for some 1,500 km without any inconvenience. A general with broad experience in the area has said that "they could not do that without internal support." It is the general's opinion that "this support was provided in one of two ways: with their own personnel sent into the country ahead of the commando, or using local people. But either way, it was a very severe breach of security."

The details of the acquisition of the submachineguns are still very obscure. Certain sectors of the Army deny that the operation took place, and other sectors indicate that the number of weapons that were "lost" does not amount to 30. The fact is that 1,000 Uru's were confiscated in Manaus and remain stockpiled there; another 720 have been placed at the disposal of the courts. There are 7,500 stockpiled at the Barueri Maintenance Park in Sao Paulo. There are approximately 12,000 in the War Arsenal in Rio de Janeiro; these were probably purchased legally by the Ministry. The manufacturer, Mekanika Industria e Comercio, has closed down. Now, following a cleaning up, a reorganization, and with the bankruptcy turned into suspended insolvency proceedings, the company has returned to the business world under the control of a new group that exclusively exports.

This is not the only case. During March and July 1987 an English mercenary named Charles Mosley, nicknamed Chaimo, who had been contracted by the Surinamese guerrilla leader Ronny Brunswijk, turned up secretly in Belem, Marapa, and Manaus to spend 300,000 florins—approximately $150,000—on the purchase of weapons, ammunition, explosives, and spare parts for the two small single-engine Cessna 204's of the rebel air force. During his stay in Brazil, Mosley, who had crossed the loosely controlled territory of Amapa-Surinamese border, was always seen in the company of a certain person called Leo, a Brazilian citizen. This man—approximately 40 years old, of medium height, heavy set, with red hair and a bushy moustache, as well as an easy smile— acted as the intermediary in the purchase. This purchase only involved weapons for personal defense of the type that any civilian can purchase commercially.

Chaimo purchased 38-caliber revolvers, hunting carbines, repeater rifles, 12-bore shotguns, and industrial TNT of the type used for demolition and, of course, for the manufacture of bombs. A kit with 16 antitank rockets of South Korean manufacture was the largest item purchased. The kit came from Paraguay, but it was transferred to Mosley in a hotel in Marapa, from where Mosley returned to the area controlled by Brunswijk in eastern Suriname. According to sources consulted by O ESTADO DE SAO PAULO, although most of the small arsenal was second hand, "many new things were bought at the store, undoubtedly with falsified documentation." It was quite a large cargo: three vessels were needed to transport it to the "delivery" point in the higher reaches of the Maroni River [as published].

The M-19 group of Colombia faced major difficulties in obtaining supplies from Brazil. After continuously crossing the border to purchase medicines in Iaurete, Comandante Emiliano Loredo tried a bold ploy: He went to

Sao Gabriel da Cahoeira, directly approached an officer of the Jungle Infantry Battalion, and said that he would pay $200 each for any number of 7.62 FAL rifles, which are produced by the ordnance industry for the Brazilian Armed Forces. The guerrilla revealed more: He has 300 men under his command just 50 km from the border. Another meeting was arranged, but Loredo did not turn up.

Chileans in UN Office Begin Hunger Strike

PY150052 Brasilia Domestic Service in Portuguese 2100 GMT 14 Dec 87

[Text] The Chilean refugees who for 8 days have been occupying the UN High Commissioner's office in Rio de Janeiro, demanding political asylum in Canada, Australia, and Norway, began a hunger strike at 0800 today to stress their demands.

Refugee spokesman Daniel Perez said they will continue with the hunger strike to the end. Two refugees—Basilio Espinoza, who is recuperating from an operation for a bullet wound he suffered in Nicaragua, and Carlos Lizama—went on strike today. The number of strikers will increase every day. Hernan Parada wil join the strikers tomorrow, and Lizama's girl friend, Sonia Latorre, will join them Wednesday.

Perez reported that the negotiations conducted through the UN commissioner's office are deadlocked, adding that yesterday they met with Commissioner George Gordon, who promised to visit the embassies personally today in search of an accord.

The lack of proper sanitary conditions and of a permanent water supply has rendered the refugees' situation at the UN commissioner's office increasingly dificult. The refugees are affected by itching and lice. One of the six women, Emma Garcia Morales, has a urinary infection, while Sonia Latorre, who was operated on recently, has a kidney infection. In addition, the refugees are short of food.

Briefs

AIDS Statistics Released

The National Department for Venereal Diseases has reported that 88 new cases of AIDS were detected in November and that 2,325 persons have contracted the disease so far, 1,277 of whom have died. [Summary] *[Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 9 Dec 87 PY]*

Chile

UN's Volio Criticizes Military Prosecutor

PY141341 Santiago Domestic Service in Spanish 0930 GMT 14 Dec 87

[Text] Fernando Volio, special UN human rights observer for Chile, has criticized military prosecutor Fernando Torres Silva and said that military justice in Chile must be modified. After having met with Santiago Archbishop Juan Francisco Fresno, Volio said that the military prosecutor has assumed investigative powers that go beyond universally-accepted norms.

According to Volio, the people who have been arrested and are being charged by the military prosecutor with murder, kidnapping, terrorism, introduction of weapons, and other charges are entitled to a good defense.

Volio said that the defendants should be granted defense in accordance with the universal rights of any legal process.

Volio also said he is displeased with the fact that prosecutor Torres Silva is investigating several cases at the same time, causing the number of cases to accumulate in his department.

Justice Minister Responds

PY150212 Santiago Domestic Service in Spanish 1600 GMT 14 Dec 87

[By reporter Raul Pena]

[Excerpts] The Supreme Court and the military prosecutors are not playthings, Justice Minister Hugo Rosende has told Fernando Volio, special UN human rights observer for Chile.

Justice Minister Hugo Rosende thus was the first to respond to Fernando Volio, special UN human rights observer for Chile, who had made harsh statements regarding Chilean military justice.

Minister Rosende said that Volio, although he could not consult certain portfolios, continued to criticize Chilean justice and the proceedings at the civil and military courts.

As he left the meeting, Volio refused to comment on the talks and told a reporter he was free to draw his own conclusions regarding Volio's personal feelings.

Minister Rosende said, regarding the meeting:

[Begin Rosende recording] [Passage indistinct] I am not in a position to answer this question because I am not familiar with the details of these cases. All I know is what has been published in the press. (?He) charged me with placing microphones in public squares, something like a new Watergate. This was categorically denied in the

courts; therefore, this accusation is absurd. If those involved did not dare resort to the Supreme Court [words indistinct] all information is based on press reports [words indistinct]. [passage omitted] I will not allow Volio to treat the court as a plaything or to deal with military judges as if they were toys. [passage omitted] Regarding the statements he is willing to reproduce in his report, that is up to him. I cannot comment on a problem I do not believe exists. [end recording]

The meeting, which should have lasted 30 or 40 minutes, ended abruptly when Fernando Volio left Rosende's office. Pale and shaking, Volio said he will include everything in his next report.

We must remember that Volio's last report was not taken into consideration by the politicized United Nations which, overlooking his comments, charged our country with human rights violations.

Therefore, no matter how angry he gets at the firm answers he is given regarding the values that are respected in our fatherland, or what the contents of his report may be, Volio's comments may again be overlooked by the United Nations.

Military Judge Cited

PY150305 Santiago Domestic Service in Spanish 2200 GMT 14 Dec 87

[Excerpts] Military Judge Fernando Torres has said that UN special observer Fernando Volio is morally, ethically, and professionally unqualified to comment on military justice.

Torres, who has not stopped working on the four cases he is investigating, was interviewed outside his office at the Military Court on Centeno Street. He was asked to comment on Volio's criticism of Chilean justice, which Volio called aberrant.

[Begin Torres recording] [Passage indistinct] Volio was supposed to make an objective report on Chilean justice and the situation in Chile. His latest comments to the press, however, prove he is morally, ethically, and professionally unqualified to comment on the matter. This year marks the first time he has made this type of comment. [Passage indistinct] As an observer, he should know about these things; therefore, his criticism is more serious than that of another person. It shows he knows nothing about Chilean justice. Our military justice was born along with our fatherland, with the training of the Spanish Army [words indistinct]. [passage omitted] [end recording]

Regarding Volio's comments on human rights violations, Torres said human rights are more respected in Chile than in Volio's country and other Latin American countries.

Torres also said that Volio has apparently only collected information from sectors of society that specialize in distorting reality. Torres added that Justice Minister Rosende's words portray well the efforts of those who work in favor of Chilean justice.

Asked if he would have any problem in receiving UN observer Volio for a meeting, Torres said he would meet with Volio whenever the latter asked him to do so. [passage omitted]

Republican Party President Jaramillo Resigns

PY102030 Santiago Radio Chilena Network in Spanish 1600 GMT 10 Dec 87

[Text] Former Liberal Party Senator Armando Jaramillo Lyon has resigned as president of the Republican Party [PR] after party members voted to merge with the Liberal Party [PL].

Jaramillo stated that after resigning from the presidency he will no longer attend meetings to work on the creation of the Party for Democracy [Partido por la Democracia], PPD.

Asked whether he will continue as a PR member, Jaramillo said he considers himself a Republican, but added that because the PR and the PL have merged, he no longer knows what he is. He concluded by saying that the creation of the PPD is a (?matter of great urgency) because time flies, and the PPD will either be created or not created.

Socialist Leader Heads Party for Democracy

PY120203 Santiago Radio Chilena Network in Spanish 2200 GMT 11 Dec 87

[Text] The Party for Democracy [PPD] has been established under the presidency of Socialist leader Ricardo Lagos. The rest of the PPD executive board will be announced on 15 December.

[Begin Lagos recording] The PPD has been established as an initiative open to everyone, an initiative that has no other sponsors but the Chilean people who want democracy to be restored.

The PPD is not a coalition party. The PPD has not been established as a political interlocutor. The PPD is the right mechanism for registering 6.5 million people at the electoral registry in Chile, for preventing a fraud, and for guaranteeing the cleanliness of any electoral process. [end recording]

Ricardo Lagos said the PPD has 60 to 70 days to collect the legally required number of signatures.

Jarpa Named National Renewal Party President

PY121351 Santiago Domestic Service in Spanish 0900 GMT 12 Dec 87

[Text] The National Renewal Party [PRN] will operate in the future with only two vice presidents because Sergio Onofre Jarpa Reyes was elected to occupy the office of president until the national convention next March. Jarpa received numerous telegrams from different regions of the country congratulating him on his selection as party head by the political commission of the PRN.

Andres Allamand and Jaime Guzman will be the two vice presidents.

The leaders of the party will meet for the first time with regional, provincial, and community leaders in the Hotel Galerias at 1000 today to establish the future structure of the PRN.

Ricardo Rivadeneira, former president and founder of the PRN, visited the party headquarters to greet and congratulate Jarpa.

Agreement With Argentine Workers Signed

PY091603 Madrid EFE in Spanish 0436 GMT 9 Dec 87

[Text] Santiago de Chile, 8 Dec (EFE)—Chilean and Argentine workers, who held a meeting today in Punta Arenas, 2,470 km south of Santiago, signed an agreement to encourage regional integration between the bordering regions of Magallanes (on the Chilean side) and Santa Cruz (on the Argentine side).

Argentine union leader Graciela Diaz stated that it is very important to carry out the economic and labour integration of Santa Cruz (Argentine Patagonia) and Magallanes (Chilean Patagonia).

She added that this integration will allow these regions to exchange information and to establish a model training system in union affairs that will benefit both regions.

It was also agreed that the Multiunion Labor Organization [Multigremial], will be headquartered in Punta Arenas, Magallanes. The Multiunion Labor Organization will be strengthened through the inclusion "of all labor unions."

Briefs

Copper Sales Income Increases

Manuel Feliu, president of the Copper Production and Trade Confederation, has reported that the country will receive some $500 million extra as a result of the increased prices of copper and gold. He said that this year's production was the best in 7 years. [Summary] *[Santiago Domestic Service in Spanish 0930 GMT 11 Dec 87 PY]*

Peru

Shining Path Reportedly Kills 24 in La Mar

PA141904 Lima Television Peruana in Spanish 1825 GMT 14 Dec 87

[Text] It was reported in Ayacucho today that 24 people, including a professor and Civil Defense members, were murdered by Shining Path members in Rumi Rumi, in San Miguel, the capital of La Mar Province.

According to reports, the incident occurred early Thursday morning, but the news did not reach Ayacucho until today.

The murdered professor was identified as Angel Vargas Leon, 30.

Approximately 20 to 30 disguised subversives arrived in Rumi Rumi and killed the defenseless peasants.

4 Killed in Ayacucho; Shining Path Blamed

PA112005 Lima Panamericana Television Network in Spanish 1200 GMT 11 Dec 87

[Report by Mario Cueto Cardenas, correspondent in Ayacucho]

[Excerpt] In a major action attributed to Shining Path guerrillas, several members of the recently established special plan for the Cachi River were killed in the city of Ayacucho last night. Those killed were in charge of the implementation of the plan to provide water to Ayacucho and to make use of thousands of hectares for agriculture.

Killed were engineers Jose Ortiz, the executive director of the plan; Guillermo Valladares; and Oscar Carrera, and Gabriel Ore, a guard. Engineers Jesus Adriazola and Marcial Leon were wounded and will be taken to Lima this morning.

While this action was taking place in the Emadi neighborhood, the attorney general was hosting a dinner at the Turistas Hotel for the members of the political-military command and political and civilian authorities. [passage omitted]

Uruguay

Signature Drive on 'Full Stop' Law Completed

PY141732 Madrid EFE in Spanish 1857 GMT 13 Dec 87

[By Sixto Martinez]

[Excerpt] Montevideo, 13 Dec (EFE)—Promoters of the campaign to collect the signatures necessary to call for referendum have stated that the "full stop" law in Uruguay will be rejected by the referendum next year. The campaign to collect the necessary signatures has lasted 10 months.

The national pro-referendum commission reported last night that it has collected 628,125 signatures, 75,000 more than the number necessary for the referendum.

These signatures must now be verified by the electoral court, which will begin working next Thursday when the national commission hands over the papers that contain the signatures.

It is not known how much time the court will need to verify the signatures, but some members of the commission have stated that it could take several months.

The signatures must be followed by the respective citizens' identification card numbers. [passage omitted]

Economy Minister To Negotiate Loan in Japan

PY141305 Montevideo Radio Carve in Spanish 0830 GMT 14 Dec 87

[Text] Economy and Finance Minister Ricardo Zerbino, who has left for Tokyo, has stated that Uruguay will negotiate in Japan a loan of between $30 and $50 million. Japan is reportedly interested in making investments in Uruguay, in line with the Japanese plan for investments in Latin America.

Zerbino has gone with Planning Director Carlos Steneri and financial representative to Washington (Kenneth Good).

Suriname

Assembly Meets on Admission of Members

FL141848 Paramaribo International Service in English 1730 GMT 14 Dec 87

[Text] Today, the National Assembly meets over the admission of 10 of the 51 members to this body. Last Friday the members were sworn in but a decision is yet to be taken to allow their admission in view of the declaration by the independent elections office which declared the elections in the three emergency areas null and void. [Passage indistinct] The assembly meeting started at 1000 but was still in session up to news time.

Front for Democracy, Development Leaders on Unity

FL141906 Paramaribo International Service in English 1730 GMT 14 Dec 87

[Text] The unity of the Front for Democracy and Development is unbreakable. This was stated by the three leaders of the coalition yesterday during a thanksgiving service in relation to their recent election victory. NPS [Suriname National Party] Chairman Henck Arron said that democracy had been restored and the support given to the Front will never again be given to political leaders. Mr Lachmon, of the VHP [Progressive Reformed Party], declared that a front will not bite anyone. We must reflect and try to make friends with all our enemies, said Lachmon. He emphasized that the (?40 Assembly) seats do not belong to political parties but are seats of the Front.